

CASE 13945: *Continued from the June 21, 2007 Examiner Hearing*

Application of Occidental Permian LTD. for cancellation of a drilling permit, for determination of the right to drill, and approval of a drilling permit, Lea County, New Mexico. Applicant seeks an order canceling the drilling permit for the EOG Resources, Inc. Cimarron "17" State Well No. 1 located 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 17, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant also seeks a determination of its right to drill on the S/2 N/2, N/2 SW/4 and NE/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM and approval of its drilling permit for the OPL Desert Bighorn 17 State Well No. 1 to be drilled to the Bone Spring formation at a standard location in the SW/4 NW/4 (Unit E) of said Section 17 T-18-S, R-34-E. The subject lands are located approximately 12 1/2 miles southeast of Maljamar, New Mexico.

CASE 13912: *Continued from the June 21, 2007, Examiner Hearing*

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM, 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. The unit is to be dedicated to the Cimarron "17" State Well No. 1, to be drilled at an orthodox location in the SW/4 NW/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. The unit is located approximately 12-1/2 miles southeast of Maljamar, New Mexico.

CASE 13853: *Continued from the June 21, 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 13856: *Continued from the June 21, 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 13954: *In the matter of the hearing called by the Oil Conservation Division for an order creating, abolishing, extending vertical and horizontal limits, redesignating, and contracting certain pools in Chaves, Lea and Roosevelt Counties, New Mexico.*

(a) CREATE a new pool in Lea County, New Mexico for the production of oil from the Grayburg formation and designated as the South Arrowhead-Grayburg Pool (Pool Code 97564). The discovery well is the Marathon Oil Company E. S. Owens 26 Well No. 1 (API No. 30-025-37756) located in Unit K of Section 26, Township 22 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 26: SW 4

(b) CREATE a new pool in Lea County, New Mexico for the production of gas from the Morrow formation and designated as the North Baish-Morrow Gas Pool (Pool Code 97599). The discovery well is the OXY USA WTP LP, OXY Great Horn Owl State Well No. 1 (API No. 30-025-37824) located in Unit O of Section 31, Township 16 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 31: S/2

(c) CREATE a new pool in Lea County, New Mexico for the production of oil from the Abo formation and designated as the High Plains-Abo Pool (Pool Code 97609). The discovery well is the Yates Petroleum Corporation Papatotes ATA Well No. 1 (API No. 30-025-33275) located in Unit I of Section 34, Township 14 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 34: SE/4

(d) CREATE a new pool in Lea County, New Mexico for the production of oil from the Delaware formation and designated as the Southwest Jabalina-Delaware Pool (Pool Code 97597). The discovery well is the Devon Energy Production Company LP. Rattlesnake Federal Unit Well No. 6 (API No. 30-025-37629) located in Unit P of Section 13, Township 26 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 13: SE/4

(e) CREATE a new pool in Lea County, New Mexico for the production of gas from the Morrow formation and designated as the North Lea-Morrow Gas Pool (Pool Code 97595). The discovery well is the COG Operating LLC. West Pearl 36 State Well No. 1 (API No. 30-025-38079) located in Unit F of Section 36, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2

(f) CREATE a new pool in Lea County, New Mexico for the production of oil from the Blinebry formation and designated as the Maljamar-Blinebry Pool (Pool Code 97598). The discovery well is the Mack Energy Corporation Duck Federal Well No. 1 (API No. 30-025-38172) located in Unit N of Section 5, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 5: SW/4

(g) CREATE a new pool in Lea County, New Mexico for the production of oil from the Queen formation and designated as the East Maljamar-Queen Pool (Pool Code 97593). The discovery well is the Mar Oil & Gas Corporation Malmar State Well No. 1 (API No. 30-025-00516) located in Unit P of Section 12, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

(h) CREATE a new pool in Lea County, New Mexico for the production of oil from the Yeso formation and designated as the Maljamar-Yeso Pool (Pool Code 97608). The discovery well is the COG Operating LLC. MC Federal Well No. 10 (API No. 30-025-38262) located in Unit E of Section 22, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 22: NW/4

(i) CREATE a new pool in Lea County, New Mexico for the production of gas from the Strawn formation and designated as the East X-4 Ranch-Strawn Gas Pool (Pool Code 97600). The discovery well is the Yates Petroleum Corporation Merle State Unit Well No. 1 (API No. 30-025-36581) located in Unit O of Section 13, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 13: S/2

- (j) ABOLISH the Southeast Wilson-Strawn Pool (Pool Code 97580) in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 20: NW/4

- (k) EXTEND the South Osudo-Strawn Gas Pool (Pool Code 97396) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 17: SE/4

Section 20: N/2 and SW/4

Section 29: NW/4

Section 30: E/2

- (l) EXTEND the vertical limits of the Tonto-Seven Rivers Pool (Pool Code 59470) in Lea County, New Mexico to include the Yates and Seven Rivers formations, and redesignate the pool as the Tonto-Yates-Seven Rivers Pool (Pool Code 59470).

- (m) CONTRACT the Quail Ridge-Yates Gas Pool (Pool Code 83360) in Lea County, New Mexico by the deletion of the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 19: NW/4

- (n) EXTEND the Allison-San Andres Pool (Pool Code 1190) in Lea County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 2: SW/4

- (o) EXTEND the Anderson Ranch-Queen Pool (Pool Code 97027) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 22: NE/4

Section 23: NW/4

- (p) EXTEND the North Anderson Ranch-Wolfcamp Pool (Pool Code 1920) in Chaves and Lea Counties, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM

Section 36: SE/4

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 31: S/2

- (q) EXTEND the Antelope Ridge-Strawn Gas Pool (Pool Code 70450) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 8: SE/4

Section 17: W/2 and NE/4

- (r) EXTEND the North Bell Lake-Bone Spring Pool (Pool Code 5150) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 17: NW/4

Section 18: E/2

- (s) EXTEND the South Bell Lake-Morrow Gas Pool (Pool Code 71960) in Lea County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 5: S/2

- (t) EXTEND the North Bluit-Siluro Devonian Pool (Pool Code 6910) in Roosevelt County, New Mexico to include:

TOWNSHIP 7 SOUTH, RANGE 37 EAST, NMPM

Section 28: SE/4

- (u) EXTEND the South Brunson-Drinkard-Abo Pool (Pool Code 7900) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM

Section 7: NW/4

- (v) EXTEND the Cerca-Upper Pennsylvanian Pool (Pool Code 11810) in Lea County, New Mexico to include:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 5: NE/4

- (w) EXTEND the Cinta Roja-Delaware Pool (Pool Code 96341) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM

Section 31: NW/4

- (x) EXTEND the West Corbin-Delaware Pool (Pool Code 13195) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 22: NE/4

Section 23: NW/4

- (y) EXTEND the Cuerno Largo-Upper Pennsylvanian Pool (Pool Code 14980) in Lea County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 35: SE/4

- (z) EXTEND the Drinkard Pool (Pool Code 19190) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 28: W/2 NW/4 and SE/4 NW/4

- (aa) EXTEND the EK-Bone Spring Pool (Pool Code 21650) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 5: SW/4

Section 6: SE/4

- (bb) EXTEND the West Grama Ridge-Bone Spring Pool (Pool Code 28432) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 1: SE/4

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 6: SW/4

- (cc) EXTEND the North Grama Ridge-Wolfcamp Gas Pool (Pool Code 77715) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM

Section 20: S/2

Section 28: N/2

Section 29: NE/4

- (dd) EXTEND the Johnson Ranch-Wolfcamp Gas Pool (Pool Code 79335) in Lea County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 4: SW/4

Section 5: SE/4

Section 8: N/2

- (ee) EXTEND the Kemnitz-Lower Wolfcamp Pool (Pool Code 35530) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 21: SE/4

- (ff) EXTEND the Southeast Lane-Abo Pool (Pool Code 36676) in Lea County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 14: NE/4

- (gg) EXTEND the Lea-Bone Spring Pool (Pool Code 37570) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 2: NW/4

- (hh) EXTEND the Maljamar-Grayburg-San Andres Pool (Pool Code 43329) in Lea County, New Mexico to include

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 29: SW/4

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 3: SW/4

Section 4: SE/4

- (ii) EXTEND the East Maljamar-Paddock Pool (Pool Code 97417) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 18: SW/4

Section 19: NW/4

- (jj) EXTEND the Paddock Pool (Pool Code 49210) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 36: SE/4

- (kk) EXTEND the Quail Ridge-Morrow Gas Pool (Pool Code 83280) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 17: W/2

(ll) EXTEND the West Ranger Lake-Atoka Gas Pool (Pool Code 96223) in Lea County, New Mexico to include:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 27: E/2

(mm) EXTEND the West Red Tank-Delaware Pool (Pool Code 51689) in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 13: NW/4

(nn) EXTEND the Reeves-Pennsylvanian Pool (Pool Code 52060) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 12: SW/4

(oo) EXTEND the South Reeves-Wolfcamp Pool (Pool Code 97467) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 26: SE/4

(pp) EXTEND the Salt Lake-Delaware Pool (Pool Code 53565) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM
Section 14: W/2

(qq) EXTEND the Sawyer-Devonian Pool (Pool Code 55290) in Lea County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 38 EAST, NMPM
Section 18: NW/4

(rr) EXTEND the Teas-Pennsylvanian Gas Pool (Pool Code 86040) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 10: E/2

(ss) EXTEND the Tonto-Wolfcamp Pool (Pool Code 59500) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 34: NE/4
Section 35: W/2 and SE/4

(tt) EXTEND the Tonto-Yates-Seven Rivers Pool (Pool Code 59470) in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 18: SE/4

(uu) EXTEND the West Triste Draw-Delaware Pool (Pool Code 59945) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 20: NW/4

(vv) EXTEND the TV-Pennsylvanian Gas Pool (Pool Code 86560) in Chaves County, New Mexico to include:

TOWNSHIP 11 SOUTH, RANGE 31 EAST, NMPM
Section 22: SE/4

(ww) EXTEND the West Vacuum-Bone Spring Pool (Pool Code 61910) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 9: NW/4

(xx) EXTEND the Weir-Drinkard Pool (Pool Code 63840) in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 8: SE/4
Section 9: SW/4

(yy) EXTEND the South Wilson-Wolfcamp Pool (Pool Code 97162) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 18: S/2

(zz) EXTEND the X-4 Ranch-Atoka Gas Pool (Pool Code 97090) in Lea County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 33: W/2

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 4: NW/4

(aaa) EXTEND the X-4 Ranch-Morrow Gas Pool (Pool Code 97049) in Lea County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 33: W/2

(bbb) EXTEND the North Young-Bone Spring Pool (Pool Code 65350) in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 34: SE/4

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