

3. **CASE 13971:** *Application of XTO Energy, Inc. for Simultaneous Dedication and an exception to the well density requirements of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool.* Applicant seeks an exception to the well density requirements of Rule I.B of this pool and approval for the simultaneous dedication of a fifth producing well to a 409.25-acre non-standard gas proration and spacing unit in the northern 3/4th of Section 19, T29N, R9W, San Juan County, New Mexico. These wells are located approximately 2-1/2 miles southeast of Blanco, New Mexico.

4. **CASE 13963:** *(Continued from the August 9, 2007 Examiner Hearing)*
Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 8, T15S, R25E, NMPM, in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Giacomo 1525-8 Federal Com Well No. 1 (API#30-005-63946) which will be located at an unorthodox surface location 760 feet FNL and 208 feet FEL (Unit A) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location, 660 feet FEL and 760 feet FNL (Unit A) then drilled horizontally in a westerly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 760 feet FNL and 660 feet FWL (Unit D). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 6 miles northwest of Lake Arthur, New Mexico.

5. **CASE 13964:** *(Continued from the August 9, 2007 Examiner Hearing)*
Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 8, T15S, R25E, NMPM, in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Funny Cide 1525-8 Federal Com Well No. 1 (API # 30-005-63949) which will be located at an unorthodox surface location 1880 feet FSL and 208 feet FEL (Unit I) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location not less than 1180 feet FSL and 660 feet FEL (Unit I) then drilled horizontally in a westerly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 1880 feet FSL and 660 feet FWL (Unit L). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 6 miles northwest of Lake Arthur, New Mexico.

6. **CASE 13965:** *(Continued from the August 9, 2007 Examiner Hearing)*
Application of Parallel Petroleum Corporation for authorization to simultaneously dedicate a standard gas spacing and proration unit in the Wolfcamp formation to two horizontal wellbores including an exemption to the well density requirements of Rule 104.D, Chaves County, New Mexico. Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 16, Township 15 South, Range 25 East, Chaves County, New Mexico in the Wolfcamp formation to the following two wells:
 - (a) The Swale 1525-16 State Well No. 2 (API #3000563924) to be drilled at an unorthodox surface location 760 feet FSL and 190 feet FWL (Unit M) and then to penetrate the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 760 feet FSL (Unit M) and then drilled horizontally in an easterly direction staying within the producing area not less than 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 760 feet FSL and 660 feet FEL, and

 - (b) The Swale 1525-16 State Well No. 1 (API #3000563886) that has been drilled at an unorthodox surface location 1880 feet FSL and 208 feet FWL (Unit L) and penetrated the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 660 feet FSL (Unit L) and then was drilled horizontally in an

easterly direction staying within the producing area not less than 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 1880 feet FSL and 660 feet FEL.

These wells are located approximately 10 miles southwest of Hagerman, New Mexico.

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

7. **CASE NO. 13972:** *Application of Beach Exploration, Inc. for statutory unitization, Eddy County, New Mexico.* Applicant seeks an order unitizing all mineral interests in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool underlying parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM, comprising 1040.00 acres of state lands for its proposed Eastland Queen Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.
8. **CASE NO. 13973:** *Application of Beach Exploration, Inc. for approval of a waterflood project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico.* Applicant seeks approval to institute a waterflood project in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool by the injection of water into eighteen wells located on state lands covering parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the “New Mexico Enhanced Oil Recovery Act” (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.
9. **CASE NO. 13974:** *Application of Corkran Energy, LP to amend Division Order No. R-12702 for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order amending order No. R-12702, which pooled all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 16, Township 23 South, Range 24 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Bandana Point-Strawn Gas Pool, Undesignated Robina Draw-Atoka Gas Pool, and Undesignated Bandana Point-Strawn Morrow Pool. The unit is dedicated to the Renata “16” State Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 of Section 16. Order No. R-12702 stated the well’s location as 660 feet from the North and East lines of Section 16, but due to topography the well’s location has been moved to 660 feet from the North line and 910 feet from the East line. Applicant requests that Order No. R-12702 be amended to reflect the correct location, and that all other provisions of the order remain the same. The unit is located approximately 11-1/2 miles northwest of Whites City, New Mexico.
10. **CASE NO. 13975:** *Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Barnett Shale underlying the following described acreage in Section 22, Township 19 South, Range 31 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Lusk-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool; and the NE/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 West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso “22” Fed. Well No. 2, to be drilled from an orthodox surface location in the NE/4 SE/4 of Section 22 to an orthodox bottom hole location in the NW/4 SE/4 of Section 22. 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 13 miles southeast of Loco Hills, New Mexico.