

than the others, and is located just North of State Route 64. The affected wells are specifically identified as follows:

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|----------------|--------------|
| TRS-EVI #1 | 30-045-24448 |
| Kirtland 14 #1 | 30-045-25922 |
| Kirtland 18 #1 | 30-045-26203 |
| Kirtland 18 #3 | 30-045-23736 |
| Fruitland #1 | 30-045-24972 |
| Kirtland #11 | 30-045-25306 |

5. **CASE 14053:** (Continued from the February 7, 2008 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division for a Compliance Order against J. Warren Hanson d/b/a Hanson Energy. The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to twenty-five wells, requiring operator to return the wells to compliance by a date certain, and in the event of non-compliance assessing penalties and authorizing the division to plug said wells and forfeit the applicable financial assurance. The affected wells are: Berry A #011, 30-015-00498, K-24-17S-27E; Berry A #022, 30-015-00497, K-24-17S-27E; Berry A #026, 30-015-00501, O-24-17S-27E; Berry B #025, 30-015-00578, G-25-17S-27E; Berry Federal #027, 30-015-00483, E-24-17S-27E; Berry Federal #029, 30-015-00472, F-23-17S-27E; Berry Federal #030, 30-015-21510, O-23-17S-27E; Berry Federal #034, 30-015-31113, G-23-17S-27E; Donnelly Kelly State #002, 30-015-02644, O-8-18S-28E; Donnelly Kelly State #003, 30-015-23815, O-8-18S-28E; Saunders A #011, 30-015-24123, B-13-17S-27E; Saunders B #003, 30-015-22725, A-13-17S-27E; Spurck State #009, 30-015-30997, F-24-17S-27E; State AE #001, 30-015-25402, G-4-18S-28E; State AE #002, 30-015-25403, F-4-18S-28E; Vandagriff #003, 30-015-01323, I-5-17S-28E; Vandagriff #005, 30-015-01318, J-5-17S-28E; Vandagriff #007, 30-015-01320, J-5-17S-28E; Vandagriff #008, 30-015-01321, H-5-17S-28E; Vandagriff #009, 30-015-01322, O-5-17S-28E; Vandagriff #010, 30-015-01329, B-8-17S-28E; Vandagriff #011, 30-015-01325, I-5-17S-28E; West Artesia Grayburg Unit #016, 30-015-02641, M-8-18S-28E; West Artesia Grayburg Unit #022, 30-015-23639, L-8-18S-28E; West Artesia Grayburg Unit #024, 30-015-23724, M-8-18S-28E. The wells are located between Artesia and Loco Hills in Eddy County, New Mexico.
6. **CASE 14110:** ***Application of the New Mexico Oil Conservation Division for a Compliance Order against Quannah, Inc.*** The Applicant seeks an order finding that operator knowingly and willfully violated 19.15.2.52 NMAC by disposing of produced water or other oilfield waste in a registered or permitted surface waste management facility without authority, or in a place or in a manner that may constitute a hazard to safety or the environment, imposing penalties and cancelling or suspending Quannah's authority to transport liquid oilfield wastes. The unauthorized disposal occurred at the State "R" tank battery, Section 27, T14S, R33E. The tank battery is located approximately 15 miles northwest of Lovington in Lea County, New Mexico.
7. **CASE 14111:** ***Application of the New Mexico Oil Conservation Division for a Compliance Order.*** The Applicant seeks an order finding that Pogo Producing Company is in violation of 19.15.1.40.A(2) NMAC based on its failure to comply with an order requiring corrective action, imposing penalties for the knowing and willful failure to file corrected production reports as required by agreed compliance order 214, and for such other relief as the Director deems appropriate. The affected well is the Resler B #001, 30-025-36573, J 20-23S-R37E, in Lea County, New Mexico. The well is located less than five miles north of Teague.
8. **CASE 14077:** (Continued from the February 21, 2008 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division for a Compliance Order against Southwest Royalties, Inc. Applicant seeks an Order finding that operator is in violation of 19.15.4.201 NMAC as to eleven wells, requiring operator to bring the wells into compliance by a date certain, and authorizing the Division to forfeit the applicable financial assurance and plug the wells in the event of operator's non-compliance. The affected wells are:

- Barr H State No. 001; 30-025-29825; I-7-16S-33E
- Bell Ramsay NCT D No. 001; 30-025-06214; G-35-20S-37E
- Eagle No. 001; 30-025-27568; J-36-25S-36E
- Humphreys No. 001; 30-025-09815; N-25-25S-36E
- Maralo Sholes B No. 002; 30-025-09806; P-25-25S-36E

- Mcmillan No. 001; 30-025-05511; N-29-18S-37E
- Parke Federal No. 001; 30-015-20597; O-10-17S-30E
- Parke Federal No. 003; 30-015-20612; I-10-17S-30E
- Sholes A No. 003; 30-025-09796; I-24-25S-36E
- Sholes B 25 No. 002; 30-025-09808; B-25-25S-36E
- Wright Federal Com No. 001; 30-015-21878; N-29-18S-29E

The Barr H State No. 001 is located approximately 8 miles northeast of Maljamar, in Lea County, New Mexico. The Bell Ramsay NCT D No. 001 is located approximately 9 miles southwest of Hobbs, in Lea County, New Mexico.

The Eagle No. 001 is located approximately 3 miles west of Jal, in Lea County, New Mexico.

The Humphreys No. 001 is located approximately 4 miles southwest of Jal, in Lea County, New Mexico.

The Maralo Sholes B No. 002 is located approximately 2 miles southwest of Jal, in Lea County, New Mexico.

The Mcmillan No. 001 is located approximately 8 miles west of Hobbs, in Lea County, New Mexico.

The Parke Federal No. 001 and Parke Federal No. 003 are located approximately 4 miles southeast of Loco Hills, in Eddy County, New Mexico.

The Sholes A No. 003 is located approximately 1 mile west of Jal, in Lea County, New Mexico.

The Sholes B 25 No. 002 is located approximately 3 miles Northwest of Jal, in Lea County, New Mexico.

The Wright Federal Com No. 001 is located approximately 8 miles southwest of Loco Hills, in Eddy County, New Mexico.

9. **CASE 14085:** (Continued from the April 3, 2008 Examiner Hearing.)

Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the W/2 SW/4 of Section 13, Township 15 South, Range 37 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Sunshine Well No. 1, a horizontal well drilled at a surface location 2235 feet from the South line and 660 feet from the West line of Section 13, with a terminus 379 feet from the South line and 664 feet from the West line of Section 13. 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 5-1/2 miles southeast of Prairieview, New Mexico.

10. **CASE 14099:** (Continued and Readvertised) (Continued from the April 3, 2008 Examiner Hearing.)

Application of RSC Resources Limited Partnership for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 2, S/2 NE/4, and SE/4 NW/4 (the S/2 N/2) of Section 19, Township 16 South, Range 29 East, NMPM, to form a non-standard 145.53-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Lucky Wolf "19" State Com. Well No. 1H, a horizontal well to be drilled at a surface location 1980 feet from the North line and 10 feet from the West line, with a terminus 1980 feet from the North line and 330 feet from the East line, of Section 19. 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 miles northwest of Loco Hills, New Mexico.

11. **CASE 14112:** ***Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico.***

Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying all of Section 20, Township 20 South, Range 36 East, NMPM, to form a standard 640-acre gas spacing and proration unit for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool. The unit will be dedicated to the proposed Paloma "20" State Com. Well No. 1, f/k/a the Paloma "20" State Com. Well No. 2, to be drilled at