

1, located at an orthodox oil well location 1977 feet from the North line and 330 feet from the West line of Section 25. In the alternative, applicant requests approval of a non-standard 40-acre oil spacing and proration unit in the Northeast Lovington-Upper Pennsylvanian Pool, which is spaced on 80 acres under Order No. R-3816, comprised of the SW/4 NW/4 of Section 25. The non-standard unit will be dedicated to the South Lovington 25 Well No. 1, located at an unorthodox oil well location in said pool. Applicant also requests approval of the unorthodox location. The unit is located approximately 4 miles southwest of Lovington, New Mexico.

7. **CASE 14242:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Enervest Operating LLC to amend the Unit Agreement and the Unit Operating Agreement for the West Loco Hills Grayburg No. 4 Sand Unit, and for statutory unitization, Eddy County, New Mexico.
Applicant seeks an order amending the Unit Agreement and Unit Operating Agreement, and statutorily unitizing all mineral interests in, the Grayburg formation in the previously approved West Loco Hills Grayburg No. 4 Sand Unit underlying 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. 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 6 miles southwest of Loco Hills, New Mexico.
8. **CASE 14243:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Enervest Operating LLC for expansion of the waterflood project for the West Loco Hills Grayburg No. 4 Sand Unit, Eddy County, New Mexico.
Applicant seeks approval to expand the waterflood project in the West Loco Hills Grayburg No. 4 Sand Unit by the injection of water into the Grayburg formation into wells located on 5307.73 acres of federal, state, and fee lands covering parts of Township 17 South, Range 29 East, Township 18 South, Range 29 East, and Township 18 South, Range 30 East, N.M.P.M., described in Commission Order No. R-2166. The unit area is centered approximately 6 miles southwest of Loco Hills, New Mexico.
9. **CASE 14162:** (Continued from the November 13, 2008 Examiner Hearing.)
Application of Merrion Oil and Gas, Corp. for compulsory pooling in San Juan County, New Mexico.
Merrion Oil and Gas, Corp. seeks an order pooling all unleased and uncommitted mineral interest and all uncommitted working interest owners in the Basin Fruitland Coal Pool in the W/2 of Section 9, Township 29N, Range 13W, NMPM, forming a standard 320 acre spacing unit for said Pool. The spacing unit will be dedicated to the drilling of the Glade Park 1 well in the NW/4 and the Glade Park 2 well in the SW/4. Also to be considered will be the cost of drilling and completing both wells and the allocation of cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. This spacing unit is located inside the city limits of Farmington, New Mexico.
10. **CASE 14173:** (Continued from the November 13, 2008 Examiner Hearing.)
Application of Kaiser-Francis Oil Company for an exception to Division Rule 104.C(2), Lea County, New Mexico.
Applicant seeks an exception to Division Rule 104.C(2) to drill and produce its Bell Lake Unit Well No. 33 as an infill well in an existing 318.38 acre gas spacing unit in the South Bell Lake-Morrow Gas Pool comprising Lots 6, 7, E½SW¼, and SE¼ (the S½ equivalent) of Section 6, Township 24 South, Range 34 East, N.M.P.M., at an orthodox gas well location in the NE¼SE¼ (Unit I) of Section 6. Applicant further seeks to simultaneously dedicate production from the South Bell Lake-Morrow Gas Pool in Section 6 to the Bell Lake Unit Well No. 33 and to Kaiser-Francis Oil Company's existing Bell Lake Unit Well No. 26, located 1650 feet from the south line and 660 feet from the east line (Unit I) of Section 6. The two wells shall not produce concurrently from the same Morrow sands. The well unit is located approximately 23 miles southwest of Oil

Center, New Mexico.

11. **CASE 14250:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the S/2N/2 of Section 22, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing, and pooling all mineral interests in the lower Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Essex 22 State Com. Well No. 1H, a horizontal well to be drilled at a surface location 1980 feet from the north line and 330 feet from the east line, with a terminus 1980 feet from the north line and 330 feet from the west line, 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles north-northeast of Loco Hills, New Mexico.

12. **CASE 14251:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the N/2S/2 of Section 24, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing, and pooling all mineral interests in the lower Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Hornet 24 State Com. Well No. 3H, a horizontal well to be drilled at a surface location 1650 feet from the south line and 330 feet from the east line, with a terminus 1650 feet from the south line and 330 feet from the west line, of Section 24. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15-1/2 miles northeast of Loco Hills, New Mexico.

13. **CASE 14252:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the N/2N/2 of Section 23, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing, and pooling all mineral interests in the lower Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Monterey 23 State Com. Well No. 1H, a horizontal well to be drilled at a surface location 375 feet from the north line and 575 feet from the east line, with a terminus 375 feet from the north line and 375 feet from the west line, of Section 23. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 15-1/2 miles northeast of Loco Hills, New Mexico.

14. **CASE 14253:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the N/2 S/2 of Section 10, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing, and pooling all mineral interests in the lower Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Antietam 10 Fed. Com. Well No. 1-H, a horizontal well to be drilled at an orthodox surface location in the NE/4 SE/4, with a terminus at an orthodox location in the NW/4 SW/4, of Section 10. Also to be considered will be the cost of drilling and