

Unit Area, San Juan and Rio Arriba Counties, New Mexico. Applicant seeks the approval of an exception to the provisions of rule 19.15.16 to authorize the penetration point for directional wells in the Rosa Unit to be the point where the directional wellbore penetrates the top of the producing interval within the pool from which it is intended to produce, San Juan and Rio Arriba Counties, New Mexico. The Rosa Unit Area is comprised of the following lands located in San Juan and Rio Arriba, Counties, New Mexico:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Sections 1 through 31: All

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Sections 3 through 36: All

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Sections 1 through 5: All

Sections 8-17: All

Sections 21 through 26: All

TOWNSHIP 32 NORTH, RANGE 6 WEST, NMPM

Sections 32 through 36: All

The requested authorization will permit the access of more of the producing formation with the directional/horizontal portion of the wellbore resulting in more efficient production of these reserves thereby preventing waste and protecting correlative rights. This area is located approximately 9 miles Southeast of Arbolies, New Mexico.

9. **CASE 14335:** (Continued from the September 3, 2009 Examiner Hearing.) (This case will be continued to the October 15, 2009 Examiner hearing.)

Application of Williams Production Co., LLC for Pre-Approval of Non-Standard Locations in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico. Applicant seeks pre-approval for non-standard locations in the Basin Fruitland Coal Gas Pool, Rosa Pictured Cliffs Pool, East Blanco Pictured Cliffs Pool, Carracas-Pictured Cliffs Pool, Blanco Mesaverde Pool, Cottonwood-Fruitland Sand Pool and the Basin Mancos Pool in the Rosa Unit in Township 32 North, Range 6 West, Township 31 North, Ranges 4, 5 and 6 West, NMPM, San Juan and Rio Arriba Counties. Said area is located approximately 9 miles Southeast of Arbolies, Colorado.

10. ~~**CASE 14361:**~~ (Dismissed by Division Order No. R-13162-A.)

Motion to Re-Open the Case and to Dismiss the Application filed by Cimarex Energy Company for Approval of a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Hyde Oil and Gas Corporation has filed a Motion to Re-Open Case No. 14361 (Order No. R-13162) for the purpose of dismissing the application for failing to properly propose a well, for failing to engage in good faith efforts to reach a voluntary agreement prior to filing the application, and on the grounds that the case was submitted by affidavit under false pretenses. This matter involves Cimarex's proposal to create a 160-acre non-standard spacing and proration unit for the purpose of re-entering the Mallon 34 Fed. Well No. 16 (API No. 30-025-32818) and drilling a horizontal well in the Bone Spring formation in the N/2 S/2 of Section 34, T-19-S, R-34-E.

11. **CASE 14382:** (Continued from the September 17, 2009 Examiner Hearing.)

Application of Chesapeake Energy Corporation for cancellation of a permit to drill ("APDs") issued to COG Operating LLC, Eddy County, New Mexico. Applicant seeks an order canceling the Division's approval of the following application for permit to drill ("APD") issued to COG Operating LLC ("COG"): API 30-015-37106 for the Blackhawk "11" Federal Com #2-H Well, a horizontal wellbore with a surface location in Unit K and a bottom-hole location in Unit I of Section 11, T16S, R28E, Eddy County and to be dedicated to a non-standard 120-acre spacing unit consisting of the NE/4SW/4 & N/2SE/4 of this section. This unit is located approximately 16 miles northeast of Hagerman, New Mexico.

12. **CASE 14351:** (Continued from the September 17, 2009 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) in the Abo/Wolfcamp formation comprised of Lot 3, NE/4 SW/4, and N/2 SE/4 (the N/2 S/2) of Section 18, Township 15 South, Range 31 East, NMPM, to form a non-standard 159.24-acre oil spacing and proration unit (project area), and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Franklin 18 Fee Well No. 3, a horizontal well to be drilled at a surface location 1980 feet from the South line and 330 feet from the East line, with a terminus 1980 feet from the south line and 375 feet from the West line, of Section 18. 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 14 miles North-Northeast of Loco Hills, New Mexico.