

12. CASE 14370: (Readvertised)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 S/2 of Section 34, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Bone Spring formation underlying (i) the SW/4 SW/4 of Section 34 to form a standard 40-acre oil spacing and proration unit, and (ii) the S/2 S/2 of Section 34 to form a non-standard 160-acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the South Quail Ridge-Bone Spring Pool. The units are to be dedicated to the Mallon 34 Fed. Well No. 18, a horizontal well to be drilled with a surface location at an orthodox location in the SW/4 SW/4, and a terminus at an orthodox location in the SE/4 SE/4, of Section 34. 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 17 miles west of Monument, New Mexico.

13. CASE 14372: (Continued from the September 3, 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 the N/2 N/2 of Section 20, Township 15 South, Range 31 East, NMPM, to form a non-standard 160-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 Valley Forge 20 State Com. Well No. 4, a horizontal well to be drilled at a surface location 375 feet from the North line and 375 feet from the East line, with a terminus 375 feet from the North line and 375 feet from the West line, of Section 20. 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 13-1/2 miles North-Northeast of Loco Hills, New Mexico.

14. CASE 14367: (Continued from the September 17, 2009 Examiner Hearing.)

Application of Yates Petroleum Corporation for a nonstandard spacing unit and proration unit for a directional well project area, for compulsory pooling, and for rescission of a permit to drill, Chaves County, New Mexico. Applicant in the above-styled cause seeks approval of a 160-acre non-standard spacing unit and proration unit for a directional oil well project area comprised of the S/2 S/2 of Section 9, Township 15 South, Range 31 East, N.M.P.M., Chaves County, New Mexico. Applicant proposes to dedicate this non-standard spacing and proration unit to its proposed Derbi BOD Com Well No. 1 (API No. 30-005-29094), a wildcat well to be drilled horizontally in the Abo-Wolfcamp formations from a surface location in the SE/4 330 feet from the South line and 350 feet from the East line in a westerly direction to a terminus at a standard bottom hole location in the SW/4 950 feet from the South line and 330 feet from the West line of said Section 9. Applicant seeks to pool all mineral interests in the Abo-Wolfcamp formations underlying the above described spacing and proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of Yates Petroleum Corporation as operator of the well and non-standard spacing unit, and a charge for risk involved in drilling said well. Applicant also seeks rescission of a competing permit to drill issued by the Division to Marshall & Winston for API No. 30-005-29098. This non-standard unit is located approximately 12 miles north of Maljamar, New Mexico.

15. CASE 14381: (Continued from the September 17, 2009 Examiner Hearing.)

Application of Marshall & Winston, Inc. for cancellation of a permit to drill ("APD") issued to Yates Petroleum Corporation Chaves County, New Mexico. Applicant seeks an order canceling the Division's approval of the following application for permit to drill ("APD") issued to Yates Petroleum Corporation ("Yates"): API 30-005-29094 for the Derbi BOD Com #1H Well, a horizontal wellbore with a surface location in Unit M and a bottom-hole location in Unit P of Section 9, T15S, R31E, Chaves County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2S/2 of this section. This unit is located approximately 12 miles North of Maljamar, New Mexico.

16. CASE 14329: (Continued from the September 17, 2009 Examiner Hearing.)

Application of Anadarko Petroleum Corporation for approval of an acid gas injection well, San Juan County, New Mexico. Applicant seeks approval to drill an acid gas injection well at its Kirtland New Mexico site. The well will be drilled 1650 feet from the North line and 2310 feet from the West line in Unit F of Section 1, Township 29 North, Range 15 West NMPM, to inject up to 2000 barrels of acid gas per day at a maximum pressure of 1985 psi, into the Entrada Formation, at an approximate depth of 6500 feet to 6700 feet. Anadarko may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave NW, Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. Said well is

located on the Anadarko San Juan River Gas Plant near Kirtland in San Juan County, New Mexico.

17. **CASE 14290:** (Continued from the October 1, 2009 Examiner Hearing.)
Application of Williams Production Company, LLC for approval of an exception to the provisions of Rule 19.15.16, or in the alternative, a special rule for the Rosa Unit, that authorizes the use of the point where the directional wellbore penetrates the top of the producing interval within the pool as the penetration point for the directional wells in the Rosa 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.

18. **CASE 14335:** (Continued from the October 1, 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.
19. **CASE 14382:** (Continued from the October 1, 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.