

CASE 13390: *This Case will be Dismissed.*

Application of Pride Energy Company for an unorthodox location and for simultaneous dedication, Lea County, New Mexico. Applicant seeks exceptions to the well location requirements provided within both: (i) Four Lakes-Devonian Gas Pool (76920), which is currently governed under Division Rule 104.c (3), see the Division Director's memorandum dated October 25, 1999 concerning older deep gas pools still spaced on 160-acre units; and (ii) Four Lakes-Upper Pennsylvanian Pool (25460): for its proposed South Four Lakes Unit Well No. 15 to be drilled 2380 feet from the North line and 2230 feet from the East line (Unit G) of Section 2, Township 12 South, Range 34 East. This well is to be a replacement gas well within a previously existing 160.14-acre spacing unit in the Four Lakes-Devonian Gas Pool comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2. Further, this well will be an infill well to the existing 80-acre lay-down oil spacing and proration unit comprising the S/2 NE/4 of Section 2, which is currently dedicated to the applicant's existing South Four Lakes Unit Well No. 2 (API No. 30-025-01832), located at a standard oil well location 1980 feet from the North and East lines (Unit G) of Section 2. The proposed well and units are located approximately 10 miles west-northwest of Tatum, New Mexico.

CASE 13379: *Continued from November 18, 2004, Examiner Hearing*

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 29, Township 22 South, Range 27 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Wye-Delaware Pool. The units are to be dedicated to the proposed Rogers Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (Unit I) of Section 29. 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 Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2½ miles west-northwest of Otis, New Mexico.

CASE 13380: *Continued from November 18, 2004, Examiner Hearing.*

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 33, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cass Draw-Wolfcamp Gas Pool, Undesignated South Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool. The unit is to be dedicated to the proposed Otis Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 (Unit C) of Section 33. 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 Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 1½ miles west of Otis, New Mexico.

CASE 13387: *Continued from November 18, 2004, Examiner Hearing.*

Application of Latigo Petroleum, Inc. for a non-standard gas spacing and proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to reinstate the former non-standard 160-acre gas spacing and proration unit within the Justis Gas Pool (76360) comprising the SW/4 of Section 1, Township 25 South, Range 37 East, which is located approximately five miles east-northeast of Jal, New Mexico, previously approved by Division Order No. R-586-C, issued in Case No. 1293 on October 3, 1957. This unit now to be dedicated to the Applicant's proposed Hodges "B" Federal Well No. 7 to be drilled at an unorthodox gas well location 1880 feet from the South line and 390 feet from the West line (Unit L) of Section 1.