

CASE 13387: Continued from December 2, 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.

CASE 13392: **Application of Platinum Exploration Inc. for an unorthodox subsurface horizontal oil well location, Lea County, New Mexico.** Applicant seeks an exception to Division Rules 111.A (13) and 111.C (2) and the well location provisions of the special rules governing the South Knowles-Devonian Pool (36480), as promulgated by Division Order No. R-638-B, as amended by Orders No. R-638-C, R-638-D, and R-638-E, for the applicant's existing Lawrence "19" Well No. 1 (API No. 30-025-32737), located at a standard surface oil well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 19, Township 17 South, Range 39 East, which well is to be re-completed utilizing horizontal drilling techniques such that the planned end-point, or bottomhole location, for the wellbore will be approximately 150 feet from the North line and 330 feet from the West line (Unit D) of Section 13. The resulting producing area, as defined by Rule 111.A (7), will extend beyond the standard setback requirements from the outer boundary of the proposed project area, being a standard 80-acre lay-down oil spacing and proration unit, comprising the N/2 NW/4 of Section 19, which is located 2.5-miles east-southeast of Knowles, New Mexico.

CASE 13378: 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 28, 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 East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent, including the Undesignated North Cass Draw-Wolfcamp Pool; and the SE/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 Undesignated Wye-Delaware Pool. The units are to be dedicated to the proposed Skeen Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 (Unit P) of Section 28. 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 2 miles northwest of Otis, New Mexico.

CASE 13365: Continued from December 2, 2004, Examiner Hearing

Application of Nadel and Gussman Permian, L.L.C. 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 33, Township 22 South, Range 28 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 or pools developed on 320-acre spacing within that vertical extent, including the Dublin Ranch-Atoka Gas Pool and Dublin Ranch-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Artemis Fed. Com. Well No. 1, to be located at an orthodox location in the SW/4 of the section. 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 units are located approximately 4 miles north of Loving, New Mexico.