Examiner Hearing –March 3, 2011 Docket No. 6-11 Page 2 of 5

- 3. CASE 14415 (REOPENED): (Continued from the February 3, 2011 Examiner Hearing.)

 Application of the heirs of H. N. Smith, deceased, to reopen Oil Conservation Division Case No. 14415, the application of Cimarex Energy Co. for a non-standard oil spacing proration unit and compulsory pooling, to amend Order No. R-13287 to clarify the status of the interests or parties not properly pooled by said order, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order (1) declaring the provisions in Division Order No. R-13287 that pool the W/2 E/2 of Section 18, Township 15 South, Range 31 East, N.M.P.M., void as to the interests of the Applicants, and (2) amending Order No. R-13287 to clarify the status of the interests of the parties who were not properly pooled by this Order. Said area is located approximately 14 miles North-Northeast of Loco Hills, New Mexico.
- 4. CASE 14416 (REOPENED): (Continued from the February 3, 2011 Examiner Hearing.)

 Application of the heirs of H. N. Smith, deceased, to reopen Oil Conservation Division Case No. 14416, the application of Cimarex Energy Co. for a non-standard oil spacing proration unit and compulsory pooling, to amend Order No. R-13221 to clarify the status of the interests or parties not properly pooled by said order, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order (1) declaring the provisions in Division Order No. R-13221 that pool the E/2 E/2 of Section 18, Township 15 South, Range 31 East, N.M.P.M., void as to the interests of the Applicants, and (2) amending Order No. R-13221 to clarify the status of the interests of the parties who were not properly pooled by this Order. Said area is located approximately 14.5 miles North-Northeast of Loco Hills, New Mexico.
- 5. CASE 14603: Application of Mewbourne Oil Company for a non-standard spacing and proration unit unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a non-standard spacing unit comprised of the E/2 W/2 of Section 6, Township 20 South, Range 29 East, NMPM; and pooling all mineral interests in the Bone Spring formation, Winchester Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed Ruger "6" Federal Com No. 5H Well (API No. 30-015-37199) to be horizontally drilled from a surface location 150 feet from the North line and 1400 feet from the West line of said Section 6 and then in a southerly direction in the third sand interval of the Bone Spring formation, to a bottom hole terminus at a location 330 feet from the South line and 1400 feet from the West line of said Section 6. This well will penetrate the Bone Spring formation at an unorthodox location 150 feet from the North line and 1400 feet from the West line of Section 6, however, the producing interval in the wellbore is within the well's "producing area." Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles Northeast of Carlsbad, New Mexico.
- 6. CASE 14604: Application of Mewbourne Oil Company for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a non-standard spacing unit comprised of the W/2 E/2 of Section 6, Township 20 South, Range 29 East, NMPM; and pooling all mineral interests in the Bone Spring formation, Winchester Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed Ruger "6" Federal Com No. 4H Well (API No. 30-015-37198) to be horizontally drilled from a surface location 150 feet from the North line and 1755 feet from the East line of said Section 6 and then in a southerly direction in the third sand interval of the Bone Spring formation, to a bottom hole terminus at a location 330 feet from the South line and 2130 feet from the East line of said Section 6. This well will penetrate the Bone Spring formation at an unorthodox location 150 feet from the North line and 1755 feet from the East line of Section 6, however, the producing interval in the wellbore is within the well's "producing area." Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.
- 7. CASE 14605: Application of Mewbourne Oil Company for a non-standard spacing and proration unit unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a non-standard spacing unit comprised of the W/2 SW/4 of Section 13, Township 19 South, Range 25 East, NMPM; and pooling all mineral interests in the Yeso formation, North Seven Rivers-Glorieta-Yeso Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed Wyatt Draw "13" ML No. 1H Well to be horizontally drilled from a surface location 250 feet from the North line and 350 feet from the West line of Section 24 and then in a northerly direction in the Yeso formation, to a bottom hole terminus at a location 2310 feet from the South line and 350 feet from the West line of Section 13, all in Township 19 South, Range 25 East. This well will penetrate the Yeso formation at an unorthodox location 250 feet from the North line and 350 feet from the West line of Section 24, however, the producing interval in the wellbore is within the well's "producing area." Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles South of Artesia, New Mexico.
- 8. CASE 14606 Application of Mewbourne Oil Company for approval of a salt water disposal well, Eddy County, New Mexico.

 Applicant seeks approval to utilize its Fairchild "13" Well No. 1 (API No. 30-15-29729) located 660 feet from the South and West lines (Unit M) of Section 13, Township 19 South, Range 25 East, NMPM, to inject up to 10,000 barrels of water per day, at a maximum pressure of 1560 psi, into the Canyon (Upper Pennsylvanian) formation in the open-hole interval from 7800 feet to 8200 feet. This well is located approximately 12 miles South of Artesia, New Mexico.