Examiner Hearing – June 9, 2011 Docket No. 14-11 Page 2 of 6

4. CASE 14652: (Continued from the May 26, 2011 Examiner Hearing.)

Application of Occidental Permian LP for a non-standard spacing and proration unit, compulsory pooling and non-standard location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 W/2 of Section, Township 19 South, Range 32 East, NMPM and (2) pooling all mineral interests in the Bone Spring formation in the non-standard spacing unit which will be the project area for the Fecta 33 Fed Com No. 2H to be drilled from a

Spring formation in the non-standard spacing unit which will be the project area for the Fecta 33 Fed Com No. 2H to be drilled from a surface location 141 feet from the North line and 2347 feet from the West line and a bottomhole location 330 feet from the South line and 1980 feet from the West line of Section 33. 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 Occidental Permian LP as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of US Highway 62/180 and State Highway 176, New Mexico.

- 5. CASE 17658: Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 35, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Bone Spring formation underlying the SW/4NW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the S/2 N/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Four Peaks 35 Fed. Com. Well No. 2, a horizontal well with a surface location in the SW/4NW/4, and a terminus in the SE/4 NE/4, of Section 35. 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 19 miles East-Southeast of Lakewood, New Mexico.
- 6. <u>CASE 14659</u>: 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 159.30-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the S/2 S/2 of Section 19, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Abo/Wolfcamp formation underlying the 159.30 acre non-standard oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Hancock 19 State Com. Well No. 2, a horizontal well to be drilled at a surface location 375 feet from the south line and 375 feet from the east line, with a terminus 375 feet from the south line and 375 feet from the west line, of Section 19. 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.
- 7. CASE 14660: Application of OGX Resources LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. OGX Resources LLC 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 N/2 of Section 25, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Mongo 25 Fed. Com. Well No. 2, a horizontal well with a surface location in the SE/4 NE/4, and a terminus in the SW/4 NW/4, of Section 25. 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 unit is located approximately 3 miles Southeast of Malaga, New Mexico
- 8. <u>CASE 14661</u>: Application of OGX Resources LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. OGX Resources LLC seeks an order approving a 183.57-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1 and 2 of Section 31 and Lots 2-4 of Section 30, Township 26 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Copperhead 31 Fee A Com. Well No. 1, a horizontal well with a surface location in Lot 2 of Section 31, and a terminus in Lot 2 of Section 30. 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 unit is located approximately 1/2 mile North of the intersection of U.S. Highway 285 with the Texas state line.