Examiner Hearing -August 4, 2011 Docket No. 21-11 Page 2 of 8

- 1. <u>CASE 14699:</u> Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order for the compulsory pooling of all interests in those depths from 2,000 feet below the surface of the earth to 5,000 feet below the surface within Unit F of Section 36, T-17S, R27-E. The Applicant proposes to drill the Kiowa State #1 well at 1,665' FNL and 2,205' FWL, or other legal location, within Unit F (SENW) to a depth of approximately 4,850 feet below ground level to test the Blinebry/Paddock Formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, the actual operating costs, charges for supervision, designation of COG Operating LLC as operator and a charge for the risk involved in drilling the well. The proposed well and lands are located approximately ten miles east and three miles south of Artesia, New Mexico.
- 2. <u>CASE 14700</u>: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order for the compulsory pooling of all interests in those depths from 2,000 feet below the surface of the earth to 5,000 feet below the surface within Unit G of Section 36, T-17S, R-27E. The Applicant proposes to directionally drill the Kiowa State # 3 well at a surface hole location of 1,425' FNL and 1,520' FWL, or other legal location, within Unit G (SW/4 NE/4) to a depth of approximately 4,850 feet below ground level to test the Blinebry/Paddock Formations. The bottom hole location is proposed at 1,650' FNL and 1,650' FEL, or other legal location within Unit G. The producing interval of the well will be entirely within the producing area. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, the actual operating costs, charges for supervision, designation of COG Operating LLC as operator and a charge for the risk involved in drilling the well. The proposed well and lands are located approximately ten miles east and three miles south of Artesia, New Mexico.
- 3. **CASE 14662** (Rehearing)

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 126-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lots 1-4 and the south 34 acres of the N/2 N/2 of Section 32, 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 Sidewinder Well No. 1, a horizontal well with a surface location in Lot 1, and a terminus in Lot 4, of Section 32. 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 1-1/2 mile east of the intersection of U.S. Highway 285 with the Texas state line.

- 4. <u>CASE 14701</u>: Application of Lime Rock Resources A, L.P. for lease commingling, Eddy County, New Mexico; Applicant seeks an exception to Rule 19.15.5.303A NMAC to authorize the surface commingling of production from the Empire Glorieta Yeso Pool originating from its wells located on State of New Mexico. Oil and Gas Leases B-6251, B-5862, and LG-6340 collectively comprise the S/2 of Section 24, Township 17, South, Range 28 East, N.M.P.M. Applicant also seeks an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the AID 24 State No.7-9 and AID 24 State Tank Batteries, located in the S/2 of Section 24. The leases and wells are located approximately 6 miles west of Loco Hills, New Mexico.
- 5. <u>CASE 14671</u>: (amended and readvertised) (Continued from the July 7, 2011 Examiner Hearing.) Application of Apache Corporation for approval of a unit agreement, Lea County, New Mexico: Applicant seeks approval of the Unit Agreement for the South Pacific State Exploratory Unit Area, comprising 2560 acres of state lands covering all or part of Sections 5, 8, 9, 16, and 17, Township 12 South, Range 36 East, NMPM. The proposed unit area is centered approximately 2 miles North-Northwest of Tatum, New Mexico.
- 6. <u>CASE 14690</u>: (amended and readvertised)
 - Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2N/2 of Section 17, Township 19 South, Range 33 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 NW/4NW/4 of Section 17 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the N/2N/2 of Section 17 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 Spyglass 17 Fed. Well No. 2, a horizontal well with a surface location in the NW/4NW/4, and a terminus in the NE/4NE/4, of Section 17. 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 14 miles south-southeast of Maljamar, New Mexico.
- 7. <u>CASE 14702</u>: Application of JTD Resources, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 SW/4 of Section 4, Township 20 South, Range 38 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Collins Heirs Well No. 1, to be located at an orthodox location in the NE/4 SW/4 of Section 4. Also to be considered will be the cost of drilling and completing the well and the allocation