

supervision, designation of Nearburg Producing Company as operator and a charge for risk involved in drilling the well. Applicant also seeks the cancellation of two APD's held by Nadel and Gussman Permian LLC for wells and non-standard units proposed for the E/2 W/2 and the E/2 E/2 of Section 7. The proposed well and lands are located approximately 4 miles Northwest of Lakewood, New Mexico.

18. **CASE 14656:** (Continued from the September 1, 2011 Examiner Hearing.)

Amended Application of Nearburg Producing Company for Designation of a Non-standard Spacing Unit, an Unorthodox Surface Location, Compulsory Pooling, and Cancellation of APD's Issued to Nadel and Gussman Permian, LLC, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the S/2 N/2 of Section 7, Township 19 South Range 26 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Glorieta-Yeso formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 N/2 of said Section 7 to be dedicated to its Glass "7" E-H No. 1-H Well to be drilled horizontally from an unorthodox surface location 2,080' from the North line and 100' from the East line of Section 12, Township 19 South, Range 25 East to a bottom hole location 2,080' from the North line and 330' from the East line of Section 7, in Township 19 South, Range 26 East, to a depth sufficient to test the Glorieta-Yeso formation. 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 Nearburg Producing Company as operator and a charge for risk involved in drilling the well. Applicant also seeks the cancellation of two APD's held by Nadel and Gussman Permian LLC for wells and non-standard units proposed for the E/2 W/2 and the E/2 E/2 of Section 7. The proposed well and lands are located approximately 4 miles northwest of Lakewood, New Mexico.

19. **CASE 14629:** (Continued from the September 1, 2011 Examiner Hearing.)

Application of Blue Dolphin Production, LLC for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order for the compulsory pooling of all interests in all pools or formations developed on 40-acre spacing within the Mancos Shale formation underlying a non-standard oil well spacing and proration unit comprised of 21.0 ± acres located in the approximate E/2 SW/4 NE/4 of projected Section 27, Township 30 North, Range 1 East in Rio Arriba County, New Mexico. The unit will be dedicated to the following well to be drilled to the Greenhorn member of the undesignated Mancos Shale formation, (WC30N1E27):

Theis Greenhorn Test Well No. 1
1643' FNL and 1575' FEL (G)
Projected Section 27, T30N, R1E
Rio-Arriba County, New Mexico

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 Applicant as operator and a charge for the risk involved in drilling the well. The well and lands are located approximately one-half mile South of Horse Lake, New Mexico.