

oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Independence 8 Fed. Com. Well No. 2, a horizontal well to be drilled at a surface location 1830 feet from the north line and 2310 feet from the east line of Section 8, with a terminus 1980 feet from the north line and 330 feet from the east line of Section 9. 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 16 miles north-northeast of Loco Hills, New Mexico.

13. **CASE 14797:** *Application of Nadel and Gussman Heyco, LLC for pool creation, a discovery allowable, and special pool rules, Lea and Eddy Counties, New Mexico.* Applicant seeks an order (a) creating a new pool for production of oil from the Delaware formation, to be named the Northwest Young-Delaware Pool, comprising the NW/4 of Section 7, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico and the NE/4 of Section 12, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations providing for a depth bracket allowable of 300 barrels of oil per day. The discovery well for the pool is the Bola 7 Fed. Well No. 5 (API No. 30-025-39841), which was drilled at a surface location 360 feet from the north line and 330 feet from the west line of said Section 7. Applicant further requests that the pool rules be made effective retroactive to the date of first Delaware production from the discovery well. The proposed pool is located approximately 10-1/2 miles east-southeast of Loco Hills, New Mexico.

14. ~~**CASE 14789:**~~ *(Continued from the February 2, 2012 Examiner Hearing.) (This case will be dismissed.) Application of Caza Petroleum, Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order: (1) creating a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Section 27, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, which will be the project area for the Forehand Ranch 27 State Well No. 1-H, to be horizontally drilled from a surface location 252 feet from the North line and 1980 feet from the East line (Unit B), to a bottom-hole terminus at a location 330 feet from the South line and 1980 feet from the East line (Unit O) of said Section 27; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. The entire completed producing interval of the proposed well, from the penetration point to the bottom-hole location, will have standard locations within the 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 Caza Petroleum, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles west of Loving, New Mexico.

15. **CASE 14776:** *(Continued from the January 19, 2012, Examiner Hearing.) Application of Yates Petroleum Corporation for Approval of a Non-Standard Spacing and Proration Unit, Lea County, New Mexico.* Yates Petroleum Corporation has applied for approval of a non-standard 80-acre oil spacing and proration unit in the Salt Lake-Delaware Pool, comprising the SE/4 NE/4 and NE/4 SE/4 of Section 14, Township 20 South, Range 32 East, NMPM in Lea County. This location is approximately 30 miles west of Hobbs, New Mexico.

16. **CASE 14777:** *(Continued from the January 19, 2012 Examiner Hearing.) Application of Yates Petroleum Corporation for Approval of a Non-Standard Spacing and Proration Unit, Lea County, New Mexico.* Yates Petroleum Corporation has applied for approval of a non-standard 80-acre oil spacing and proration unit in the Salt Lake-Delaware Pool, comprising the SE/4 NW/4 and NE/4 SW/4 of Section 14, Township 20 South, Range 32 East, NMPM in Lea County. This location is approximately 30 miles west of Hobbs, New Mexico.