

2. **CASE 14746:** *(Continued from the January 19, 2012 Examiner Hearing.)*
Application of Strata Production Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Strata Production Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NW/4 of Section 24, Township 23 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NE/4 of Section 24 to form a non-standard 320 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 Sandy Fed. Well No. 2, a horizontal well with a surface location in the SW/4 NW/4 of Section 24, and a terminus in the NW/4 SE/4 of Section 14. 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 15 miles east of Loving, New Mexico.

3. **CASE 14789:** *(Continued from the January 19, 2012 Examiner Hearing.)*
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.

4. **CASE 14671:** *(amended and readvertised)* *(Continued from the January 5, 2012 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.

5. **CASE 14754:** *(Continued from the January 5, 2012 Examiner Hearing.)*
Application of Celero Energy II, LP to approve the expansion of the Drickey Queen Sand Unit Area and to consolidate secondary recovery projects within the expanded unit area, Chaves County, New Mexico. Applicant seeks an order approving the expansion of the Drickey Queen Sand Unit Area, covering 7002.52 acres, to include 240.24 acres of land not originally within the unit area. The unit area, as expanded, contains 7242.76 acres of federal, state, and fee lands covering all or parts of Sections 33-35, Township 13 South, Range 31 East, N.M.P.M., and Sections 1-5, 9-11, 14-16, and 22, Township 14 South, Range 31 East, N.M.P.M. Applicant further seeks the consolidation of existing Division-approved secondary recovery projects covering the lands in the unit area, as expanded, into a single project for the Drickey Queen Sand Unit Area. The unit area is centered approximately 19-1/2 miles south-southwest of Caprock, New Mexico.

6. **CASE 14779:** *(Continued from the January 5, 2012 Examiner Hearing.)*
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160.00-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprising the W/2 E/2 of Section 16, Township 21 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 16 to form a non-standard 160.00 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Berry 16 State Com. Well No. 1, a horizontal well to be drilled at a surface location in the SW/4 SE/4, with a terminus in the NW/4 NE/4, of Section 16. 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 12-1/2 miles west-southwest of Oil Center, New Mexico.