

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 13, 2011

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 31-11 and 32-11 are tentatively set for October 27, 2011 and November 10, 2011. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

<i>Locator Key</i>
<i>Case 14623 - No. 14</i>
<i>Case 14624 - No. 15</i>
<i>Case 14625 - No. 16</i>
<i>Case 14626 - No. 17</i>
<i>Case 14627 - No. 18</i>
<i>Case 14628 - No. 19</i>
<i>Case 14655 - No. 20</i>
<i>Case 14656 - No. 21</i>
<i>Case 14659 - No. 4</i>
<i>Case 14686 - No. 2</i>
<i>Case 14687 - No. 3</i>
<i>Case 14727 - No. 12</i>
<i>Case 14729 - No. 6</i>
<i>Case 14730 - No. 5</i>
<i>Case 14734 - No. 11</i>
<i>Case 14736 - No. 9</i>
<i>Case 14737 - No. 13</i>
<i>Case 14740 - No. 1</i>
<i>Case 14741 - No. 7</i>
<i>Case 14742 - No. 8</i>
<i>Case 14743 - No. 10</i>

1. **CASE 14740:** *Application of Yates Petroleum Corporation for a non-standard oil spacing and proration unit and compulsory pooling, Eddy 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/2 N/2 of Section 13, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all uncommitted mineral interests from surface to the base of the Bone Spring formation underlying the N/2 N/2 of Section 13 to form a non-standard 160 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 Grateful BOD Fed Com #1H well, a horizontal well drilled at an orthodox surface location in the NE/4 NE/4 of Section 13 with a terminus at an orthodox location in the NW/4 NW/4 of Section 13. 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, the designation of Yates Petroleum Corporation as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles southwest of Loco Hills, New Mexico.
2. **CASE 14686:** *(Continued from the September 29, 2011 Examiner Hearing.)*
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 160-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the S/2 S/2 of Section 20, 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 S/2 S/2 of Section 20 to form a non-standard 160 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 Valley Forge 20 State Com. Well No. 1, 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

20. 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 units are located approximately 13 miles North-Northeast of Loco Hills, New Mexico.

3. **CASE 14687:** (Continued from the September 29, 2011 Examiner Hearing.)

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 non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/2 S/2 of Section 20, Township 15 South, Range 31 East, NMPM, to form a non-standard 160.00-acre oil spacing and proration unit (project area), and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Valley Forge 20 State Com. Well No. 2, a horizontal well to be drilled at a surface location 1980 feet from the south line and 375 feet from the west line, with a terminus 1980 feet from the south line and 375 feet from the east line, of Section 20. 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 miles North-Northeast of Loco Hills, New Mexico.

4. **CASE 14659:** (Continued from the September 29, 2011 Examiner Hearing.)

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.

5. **CASE 14730:** (Continued from the September 29, 2011 Examiner Hearing.)

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 160.00-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprising the S/2 N/2 of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying the SE/4 NE/4 of Section 3 to form a standard 40.00 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the S/2 N/2 of Section 3 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 Boxer 3 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location in the SE/4 NE/4, with a terminus in the SW/4 NW/4, of Section 3. 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 17-1/2 miles north-northeast of Loco Hills, New Mexico.

6. **CASE 14729:** (Continued from the September 29, 2011 Examiner Hearing.)

Application of Nadel and Gussman Heyco, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the N/2 N/2 of Section 20, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Glorieta-Yeso formation in the NE/4 NE/4 of Section 20, and (ii) the Glorieta-Yeso 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 units are to be dedicated to the Wabash 20 Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the NW/4 NW/4, of Section 20. 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 2 miles south of Atoka, New Mexico.