Examiner Hearing –July 12, 2012 Docket No. 21-12 Page 4 of 5

or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Arkansas 23 Fee Well No. 3, to be drilled at an orthodox location.

(b) The SE/4NW/4 of Section 23 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 will be dedicated to the Arkansas 23 Fee Well No. 4, to be drilled at an orthodox location.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 6 miles west of Lakewood, New Mexico.

- 2. CASE 14879: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the W/2 E/2 of Section 8, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Bradley 8 Fee 3H well (API #30-015-39812), to be horizontally drilled from a surface location 150 feet from the South line and 2260 feet from the East line (Unit O) to a bottom hole location 330 feet from the North line and 2260 feet from the East line (Unit B) of Section 8. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles south of Dayton, New Mexico.
- 13. CASE 14880: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Falcon 28 1H Well (API #30-015-37000), to be horizontally drilled from a surface location 1980 feet from the North line and 530 feet from the East line (Unit H) of Section 28 to a bottom hole location 1980 feet from the North line and 350 feet from the West line (Unit E) of Section 28. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 1 mile south of Loving, New Mexico.
- Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 1, Township 19 South, Range 25 East, NMPM, Eddy County and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Clydesdale 1 Fee No. 4H well, to be horizontally drilled from a surface location 2260 feet from the North line and 150 feet from the West line (Unit H) to a bottom hole location 2260 feet from the North line and 330 feet from the West line (Unit E) of Section 1. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles North of Carlsbad, New Mexico.
- 15. CASE-14863. (Continued from the June 25, 2012 Examiner Hearing.)

 Application of LRE Operating, LLC, for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order proposing to utilize its Eddy-Humble "4" State No. 1, located 2310 feet from the South line and 1650 feet from the East line, Unit J, Section 4, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico as a produced water disposal well. Applicant proposes to inject produced water into the Abo, Wolfcamp and Cisco formations. The well is located approximately 7 miles southwest of Loco Hills, New Mexico.
- 16. CASE 14819: (Continued from the May 24, 2012 Examiner Hearing.)
 Application of LRE Operating, LLC for approval of a compulsory pooling well, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface of the earth to an approximate depth of 5,100 feet sufficient to test the Yeso formation with its Horseshoe 30 State #1 Well, underlying the SE/4 NW/4 of Section 30, Township 17 South, Range 28 East, N.M.P.M. Eddy County, New Mexico. The subject well will be located approximately 8 miles southwest of Loco Hills, New Mexico.