

and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 14, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard 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 Shinnery 14 Fed. Well No. 10, 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 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 unit is located approximately 7-1/2 miles south-southeast of Maljamar, New Mexico.

8. **CASE 14891:** (Continued from the October 4, 2012 Examiner Hearing.)
Application of Nadel and Gussman Heyco, LLC 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 S/2 N/2 of Section 20, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in 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 unit is to be dedicated to the Cannonball Well No. 1, a horizontal well with a surface location in the SE/4NE/4, and a terminus in the SW/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 unit is located approximately 2-1/2 miles south-southwest of Atoka, New Mexico.
9. **CASE 14909:** (Continued from the October 4, 2012 Examiner Hearing.)
Application of Diamondback Resources LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Diamondback Resources LLC 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 S/2 of Section 1, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the N/2 S/2 of Section 1 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the Mongoose Fee Well No. 1, a horizontal well with a surface location in the NW/4 SW/4, and a terminus in the NE/4 SE/4, of Section 1. 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 15 miles west-northwest of Monument, New Mexico.
10. **CASE 14901:** (Continued from the October 4, 2012 Examiner Hearing.)
Application of Cimarex Energy Co. of Colorado for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the following described acreage in Section 1, Township 19 South, Range 25 East, NMPM:
- (a) The NW/4 SW/4 of Section 1 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 Montana 1 Fee Well No. 1, to be drilled at an orthodox location.
 - (b) The SW/4 SW/4 of Section 1 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 Montana 1 Fee Well No. 3, 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 south-southwest of Atoka, New Mexico.
11. **CASE 14914:** **Application of Celero Energy II, LP for statutory unitization, Chaves and Lea Counties, New Mexico.** Applicant seeks an order statutorily unitizing all mineral interests in the Queen formation in the proposed North Caprock Celero Queen Unit underlying 2846.66 acres of state and fee lands covering all or parts of Section 36 of Township 12 South, Range 31 East, N.M.P.M., Sections 30-32 of Township 12 South, Range 32 East, N.M.P.M., and Sections 5-8, 13 South, Range 32 East, N.M.P.M. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 *et seq.*, will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs

of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the working interest owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 12 miles south-southwest of Caprock, New Mexico.

12. **CASE 14915:** *Application of Celero Energy II, LP to institute a waterflood project and a tertiary recovery project for the North Caprock Celero Queen Unit Area, Chaves and Lea Counties, New Mexico.* Applicant seeks approval to institute a waterflood project and a tertiary recovery project in the North Caprock Celero Queen Unit Area by the injection of water and carbon dioxide into the Queen formation in wells located on 2846.66 acres of state and fee lands covering all or parts of Section 36 of Township 12 South, Range 31 East, N.M.P.M., Sections 30-32 of Township 12 South, Range 32 East, N.M.P.M., and Sections 5-8, 13 South, Range 32 East, N.M.P.M. The unit area is centered approximately 12 miles south-southwest of Caprock, New Mexico.
13. **CASE 14886:** *(Continued from the October 4, 2012 Examiner Hearing.)*
Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Section 6, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the 2nd Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Haas 6 Federal Com #1H Well to be horizontally drilled from a surface location 330 feet from the North line and 380 feet from the East line to a bottom hole location 380 feet from the North line and 330 feet from the West line of Section 6. The completed interval for this well will be at a standard location as required by the rules. 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 13 miles southeast of Loco Hills, New Mexico.
14. **CASE 14883:** *(Continued from the September 20, 2012 Examiner Hearing.)*
Application of Nadel and Gussman Permian, 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 E/2 W/2 of Section 24, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in 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 unit is to be dedicated to the Super Chief Well No. 1, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 24. 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 4-1/2 miles southeast of Atoka, New Mexico.
15. **CASE 14888:** *(Continued from the August 23, 2012 Examiner Hearing.)*
Application of George Ross Ranch, LLC to revoke Administrative Order No. SWD-380, Eddy County, New Mexico. George Ross Ranch, LLC seeks to revoke Administrative Order No. SWD-380 which authorized Mallon Oil Company to complete its Amoco Federal Well No. 1 located in Unit Letter I of Section 27, Township 26 South, Range 29 East, in such a manner as to permit the injection of salt water for disposal purposes into the Delaware formation. This well is located north of the Pecos River Red Bluff Reservoir.
16. **CASE 14916:** *In the matter of the hearing of the Oil Conservation Division for an order contracting, redesignating and extending vertical and horizontal limits of certain pools in Lea County New Mexico.*
- (a) EXTEND the vertical limits of the Warren-Drinkard Pool (pool code: 63080) to include all of the Blinebry, Tubb and Drinkard formations and redesignate the Warren-Drinkard Pool as the SEMU-Blinebry-Tubb-Drinkard Pool (pool code: 63080).
- (b) CONTRACT the horizontal limits of the Blinebry Oil and Gas Pool (pool code- Oil: 6660 Pro Gas: 72480) in Lea County, New Mexico by deleting:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 19: SE/4

Section 20: SW/4 NW/4 and SW/4

Section 29: NW/4

Section 30: NE/4 and N/2 SE/4