

**CASE 13449:** Continued from March 17, 2005, Examiner Hearing

***Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 25, Township 19 South, Range 29 East, to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Turkey Track-Atoka Gas Pool and the Undesignated Turkey Track-Morrow Gas Pool. The unit is to be dedicated to the proposed Peacekeeper State Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 (Unit A) of Section 25. 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 Chi Operating, Inc. 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 south-southwest of Loco Hills, New Mexico.

**CASE 13381:** Continued from March 17, 2005, Examiner Hearing

***Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 17, Township 22 South, Range 27 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Undesignated South Carlsbad-Cherry Canyon Pool. The units are to be dedicated to the proposed Kodiak Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (Unit I) of Section 17. 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 Chi Operating, Inc. 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-southwest of Otis, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

**CASE 13467:** Application of Devon Energy Production Company, LP for surface commingling, Eddy County, New Mexico. Applicant seeks authorization to surface commingle production from the Northeast Red Lake Glorieta-Yeso (Oil-96836) and Red Lake Queen-Grayburg-San Andres (Oil-51300) Pools originating from its wells located on Federal Leases No. NMNM-050158, NMNM-0557370 and NMLC-067849 which comprise all or parts of Sections 26 and 35, Township 17 South, Range 27 East. Applicant also seeks an exception to the metering requirements of 19.15.5.303B(4)(a) NMAC by authorizing the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Eagle "35" Satellite Tank Battery located in the SE/4 NW/4 of Section 35. These wells are located approximately 9 miles Southeast of Artesia, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

**CASE 13437:** Continued from March 3, 2004, Examiner Hearing

***Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico.*** Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the NW/4 of Section 17, Township 29 North, Range 14 West, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated to its WF ROPCO "17" Well No. 2 (API# 30-045-32140) to be drilled at an unorthodox gas well location in Unit E of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool (See Administrative Order NSL-5008, dated March 3, 2004). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico.