## Examiner Hearing – June 2, 2005 Docket No. 17-05 Page 2 of 5

CASE 13496: Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Permo-Upper Pennsylvanian formation underlying the SE/4 NW/4 of Section 21, Township 15 South, Range 36 East, 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, including the Caudill Permo-Upper Pennsylvanian Pool. The unit is to be dedicated to the Caudill South "21" Fee Well No. 1, to be located at an orthodox oil well location. 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 5 miles north-northeast of Lovington, New Mexico.

CASE 13497: Application of Samson Resources Company for compulsory pooling, Eddy County, New Mexico: Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E/2 of Section 17, Township 18 South, Range 30 East, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Sand Tank-Strawn Gas Pool and Undesignated Sand Tank-Morrow Gas Pool. The unit is to be simultaneously designated to the proposed Sand Tank "17" Fed. Com. Well No. 2, to be located at an orthodox well location in the NE/4 SE/4 of Section 17, and to the existing Sand Tank "17" Fed. Com. Well No. 1, located at an approved unorthodox location in the SE/4 NE/4 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 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 5 miles south-southwest of Loco Hills, New Mexico.

CASE 13486: Continued from May 5, 2005, Examiner Hearing

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the W/2 of Section 8, Township 29 North, Range 11 West, to form a standard 320-acre gas spacing and proration unit for any pools or formations developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Duff 29-11-8 Well No. 104, to be drilled at an orthodox location in the NW/4 of Section 8. 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 6 miles south-southwest of Aztec, New Mexico.

CASE 13498: Application of Nadel and Gussman Permian, L.L.C. 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 18, Township 21 South, Range 24 East, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool and Undesignated East Indian Basin-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SW/4 SW/4 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 units are to be dedicated to the Tornillo "18" State Well No. 1, to be located at an orthodox location in the SW/4 SW/4 of Section 18. 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 11 miles southwest of Seven Rivers, New Mexico.

CASE 13499: Application of Nadel and Gussman Permian, L.L.C. 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 18, Township 21 South, Range 24 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool and Undesignated Indian Basin-Strawn Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 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 units are to be dedicated to the Tornillo "18" Federal Well No. 1, to be located at an orthodox location in the SE/4 SE/4 of Section 18. Also to be considered will be the cost of drilling and completing the

## Examiner Hearing – June 2, 2005 Docket No. 17-05 Page 3 of 5

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 10-1/2 miles southwest of Seven Rivers, New Mexico.

CASE 13500: Application of Nadel and Gussman Permian, L.L.C. 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 19, Township 19 South, Range 30 East, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SW/4 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, including the Undesignated Parkway Upper Pennsylvanian Pool. The units are to be dedicated to the Highwayman Federal Well No. 1, to be located at an orthodox gas well location in the SE/4 SW/4 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 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 12-1/2 southwest of Loco Hills, New Mexico.

CASE 13484: Continued from May 5, 2005, Examiner Hearing

Application of Edge Petroleum Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the S/2 of Section 28, Township 19 South, Range 32 East, to form a 320-acre gas spacing and proration unit in the Undesignated Southeast Lusk-Atoka Gas Pool and the Lusk-Morrow Gas Pool. The unit is to be dedicated to the South Lusk 28 "H" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 of Section 28. 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 Edge Petroleum Operating Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles north-northwest of Halfway, New Mexico.

<u>CASE 13501</u>: Application of Devon Energy Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Custer Mountain North Federal State Unit from the surface to the base of the Pennsylvanian formations in area comprising 2,881,28 acres, more or less, of State of New Mexico and Federal lands in Section 33, Township 22 South, Range 35 East and Sections 4, 9, 16, 21 of Township 23 South, Range 35 East. This case will be presented by Affidavits. This unit is located approximately 15 miles southwest of Eunice, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 13502: Application of Occidental Permian Limited Partnership for compulsory pooling, Lea 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 Irregular Section 3, Township 18 South, Range 34 East: the W/2 to form a standard 321.09-acre gas spacing and proration unit for any production for any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Vacuum-Morrow Gas Pool; and the NW/4 to form a standard 161.09 acre gas spacing unit for any production for any and all formations/pools developed on 160-acre spacing within that vertical extent. These units are to be dedicated to its OLP South Sunflower "3" State Com Well No. 1 (API #30-025-37211) to be drilled at a standard well location in Unit D of this section. 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 the applicant as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 13 miles Southeast of Maljamar, New Mexico.