

**CASE 13552:** *Application of Edge Petroleum Exploration 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 N/2 of Section 29, Township 20 South, Range 30 East, to form a 320-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Golden Lane-Strawn Gas Pool and Undesignated Dos Hermanos-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled from a surface location 2520 feet from the North line and 1130 feet from the West line of Section 28, Township 20 South, Range 30 East, to an orthodox bottomhole location 710 feet from the North line and 1700 feet from the East line of Section 29. 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 16-1/2 miles northeast of Carlsbad, New Mexico.

**CASE 13553:** *Application of Magnum Hunter Production, Inc. for Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from a depth of approximately 11,700 feet subsurface to the base of the Morrow formation underlying Section 11, Township 25 South, Range 26 East, to form a standard 640-acre gas spacing and proration unit for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the White City-Pennsylvanian Gas Pool. The unit is to be dedicated to the Grynberg 11 Fed. Com. Well No. 3, to be drilled at an orthodox gas well location in the NW/4 SW/4 of Section 11. 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 Gruy Petroleum Management 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 east-southeast of Whites City, New Mexico.

**CASE 13533:** *Continued from August 11, 2005, Examiner Hearing*  
*Application of Energen Resources Corporation to Amend Compulsory Pooling Order No. R-10154 to Include Provisions for an Infill Well and to Address Excess Royalty Burdens, San Juan County, New Mexico.* Applicant seeks an order amending Order No. R-10154 which pooled all interests in the Fruitland Coal formation, (Basin-Fruitland Coal Gas Pool) underlying the S/2 of Section 19, Township 30 North, Range 11 West, forming a standard 326.26 acre spacing and proration unit to allow the recovery of the costs of drilling, equipping and completing the Flora Vista "19" Well No. 3 Fruitland Coal formation infill well drilled at a standard location 675 feet from the south line and 1025 feet from the east line (Unit P) of said Section 19. Also to be considered will be the allocation of the costs of drilling, equipping and completing the infill well and Applicant's costs of supervision while drilling and after completion, including overhead charges and imposing a 200% risk charge for the risks assumed by the Applicant in drilling, completing and equipping the well. Applicant further seeks authorization for the recovery of costs and the risk charge out of the full working interest in the lease covering the SE/4 of said Section 19 without recognition of an overriding royalty interest claimed by the owners thereof. The well is located approximately 2 miles east of Flora Vista, New Mexico.

**CASE 13549:** *Application of the New Mexico Oil Conservation Division for a Compliance Order Against McDonnold Operating Inc.* The Applicant seeks an order requiring McDonnold Operating Inc. to bring fifteen wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells in the event of noncompliance and forfeit the applicable financial assurance; imposing civil penalties, and for such other relief as the Director deems appropriate. The affected wells are the following:

Bay Federal #003, API 30-025-04408, UL D, S35, 20S, R36E, Lea County  
Langlie Jack Unit #007, API 30-025-11172, UL F, S20, T24S, R37E, Lea County  
Langlie Jack Unit #006, API 30-025-11173, UL D, 20, 24S, R37E, Lea County  
Langlie Jack Unit #004, API 30-025-11174, UL B, S20, T24S, R37E, Lea County  
Litie Woolworth, #004, API 30-025-11268, UL L, S20, T24S, R37E, Lea County  
Jack A 29 #002, API 30-025-11277, UL I, S29, T24S, R37E, Lea County  
Jack A 29 #004, API 30-025-11279, UL O, S29, T24S, R37E, Lea County  
George L. Erwin #003, API 30-025-11361, UL K, S35, T24S, R37E, Lea County  
Jack A 29 #008, API 30-025-24788, UL J, S29, T24S, R37E, Lea County  
State A 16 #001, API 30-025-24814, UL M, S16, T24S, R37E, Lea County  
Red Cloud #002, API 30-025-30870, UL M, S3, T25S, R37E, Lea County  
Jack A 29 #009, API 30-025-32643, UL H, S29, T24S, R37E, Lea County  
State Co #001, API 30-041-20325, UL L, S16, T8S, R38 E, Roosevelt County  
Citgo State #001, API 30-041-20349, UL M, S16, T8S, R38E, Roosevelt County  
Citgo State #002, API 30-041-20467, UL J, S16, T8S, R38E, Roosevelt County

The three wells in Roosevelt County are located approximately 15 miles east of Milnesand, New Mexico. The Bay Federal #003 is located approximately 5 miles south of Monument, New Mexico. The remaining wells are located approximately three to 10 miles north of Jal, New Mexico.

**CASE 13543:** Continued from August 25, 2005, Examiner Hearing

**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 Morrow formation underlying the S/2 of Section 8, Township 15 South, Range 36 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 Caudill-Atoka Gas Pool. The unit is to be dedicated to the Caudill West "8" Fee Well No. 1, to be located at an orthodox gas well location in the SE/4 SE/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 4 miles south-southwest of Hillburn City, New Mexico.

**CASE 13531:** Continued from August 25, 2005, Examiner Hearing.

**Application of Yates Petroleum Corporation for an Order (1) directing Pride Energy Company to reimburse Yates for the well costs incurred by Yates in its attempt to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located in Section 12, Township 12 South, Range 34 East, NMPM, prior to the time Pride Energy Company assumed operations of the well, (2) directing Pride Energy Company to account for and pay all sums it is now improperly holding pursuant to expired orders of the Division and Commission, and (3) requiring Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico.** Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now improperly held by Pride pursuant to expired orders of the Division and Commission, and (3) an order directing Pride to plug and abandon the State "X" Well. Said well and spacing unit are located approximately 12 miles west northwest of Tatum, New Mexico.

**CASE 13494:** Continued from August 25, 2005, Examiner Hearing.

**Application of Texland Petroleum, L.P. for a Compliance Order against Latigo Petroleum, Inc. voiding of Administrative Order DHC-3086, compulsory pooling, change of operator and other relief, Lea County, New Mexico.** Applicant seeks a Compliance Order, including fines, against Latigo Petroleum, Inc. ("Latigo") including an order to void and revoke Administrative Order DHC-3086, and to require Latigo to immediately shut-in its Conoco State Well No. 3 (API No. 30-025-35961) located in Unit J of Section 33, Township 18 South, Range 38 East, until such time as: (i) a standard 160-acre gas spacing unit consisting of the SE/4 of this section, is dedicated to this well in the Tubb formation, Hobbs-Tubb Gas Pool, (ii) the production proceeds from this well in the Tubb and Drinkard formations are reallocated and paid to the owners in these spacing units from the date of first production, and (iii) paid the fines for violations of the Oil and Gas Act. Section 70-2-31 NMSA 1978. Further, applicant seeks a compulsory pooling order including provisions for designation of the applicant as the operator and the removal of Latigo as the operator. The well is located approximately 7 miles West of Hobbs, New Mexico.

**CASE 13540:** Continued from August 11, 2005, Examiner Hearing

In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Alkali Draw-Wolfcamp Gas Pool (Pool Code 97461). The discovery well is the Yates Petroleum Corporation Willow Creek "BFI" State Well No. 6 (API No. 30-005-63691) located in Unit C of Section 30, Township 4 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM  
Section 30: W/2