

**CASE 13582:** *Application of Chesapeake Operating, Inc. for statutory unitization of the Trinity Burrus Unit Area, Lea County, New Mexico.* Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Wolfcamp formation, Trinity-Wolfcamp Pool, underlying 1720 acres, more or less, of Federal, State and Fee lands in the following acreage:

**TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM**

Section 15:	SW/4 SE/4
Section 22:	E/2, E/2 W/2
Section 23:	W/2, W/2 E/2
Section 26:	W/2 W/2, NE/4 NW/4, SE/4 SW/4
Section 27:	E/2, E/2 W/2

Said unit to be designated the Trinity Burrus Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation 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 investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 25 miles northeast of Lovington, New Mexico.

**CASE 13583:** *Application of Chesapeake Operating, Inc. for approval of a waterflood project and qualification of the Project Area of the Trinity Burrus Unit for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.* Applicant seeks approval of its Trinity Burrus Unit Waterflood Project by injection of water into the Wolfcamp formation through seven injection wells located in the following described area:

**TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM**

Section 15:	E/2 SW/4, SW/4 SE/4
Section 22:	E/2, E/2 W/2
Section 23:	W/2, W/2 E/2
Section 26:	W/2 W/2, NE/4 NW/4, SE/4 SW/4
Section 27:	E/2, E/2 W/2

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 25 miles northeast of Lovington, New Mexico.

**CASE 13560:** *Continued from October 6, 2005, Examiner Hearing*

*Application of Myco Industries, Inc. for Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Morrow formation underlying the E/2 of Section 32, Township 19 South, Range 26 East, to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing; the SE/4 to form a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for all formations and/or pools developed on 40-acre spacing. These units are to be dedicated to the Elizabeth 32 Fee #1 Well to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line in the NE/4 SE/4 (Unit I) of said Section 32 to test the Morrow formation at a depth of approximately 10,100 feet. 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 14 miles southeast of Artesia, New Mexico.