

CASE 13506: *Continued from June 30, 2005, Examiner Hearing.*

Application of Edge Petroleum Exploration Company for a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order approving a non-standard 320-acre gas spacing and proration unit in the Morrow formation (Lusk-Morrow Gas Pool) comprised of the S/2 of Section 28, Township 19 South, Range 32 East. The unit is to be dedicated to applicant's proposed 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. The unit is located approximately 6 miles north-northwest of Halfway, New Mexico.

CASE 13408: *Reopened*

Application of Latigo Petroleum, Inc. for an exception to Division Rule 104.D(3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D(3) in order to simultaneously dedicate production from the Bough-San Andres Gas Pool (Pool Code 72680) within an existing standard 160-acre gas spacing unit comprising the SW/4 of Section 13, Township 9 South, Range 35 East, from the following two wells: (i) the Federal A 13 Well No. 2 (API No. 30-025-02651), located at an orthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 13; and (ii) the Federal A Well No. 5, located at an orthodox gas well location 810 feet from the South line and 1980 feet from the West line (Unit N) of Section 13. The unit is located approximately 3 miles northwest of Crossroads, New Mexico.

CASE 13522: *Application of Latigo Petroleum, Inc. for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3-6 and 11-14 of Section 6, Township 16 South, Range 35 East, and in the following manner: Lots 3-6 and 11-14 to form a standard 321.03-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 Townsend-Atoka Gas Pool and Undesignated North Eidson-Morrow Gas Pool; Lots 3-6 to form a non-standard 164.51-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and Lot 6 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 Townsend-Permo Upper Pennsylvanian Pool. The units are to be designated to the DeGas "6" State Com. Well No. 2, to be located at a previously approved unorthodox gas well location in Lot 6 of Section 6. 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 9 miles west-northwest of Lovington, New Mexico.

CASE 13516: *Continued from June 30, 2005, Examiner Hearing*

Application of Magnum Hunter Production, Inc. for compulsory pooling and simultaneous dedication, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 11, Township 17 South, Range 34 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 North Vacuum Atoka-Morrow Gas Pool. The unit is to be simultaneously dedicated to the Bridges State Well No. 126, located in the NW/4 SE/4 of Section 11, and the proposed Bridges State Well No. 514, to be drilled at an orthodox gas well location in the SE/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 applicant as operator of the proposed well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles north-northwest of Buckeye, New Mexico.

CASE 13523: *Application of the New Mexico Oil Conservation Division for an Order Requiring Spence Energy Company to Properly Plug One Well, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico.* The Applicant seeks an order requiring Spence Energy Company, the operator of one inactive well(s) in Lea County, New Mexico, to properly plug and abandon the same, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security. The affected wells are the following:

30-25-29969 - Kellahin "14" State Well No. 1 - 4-9S-32E - 330' FSL & 700' FEL