## Examiner Hearing – February 2, 2006 Docket No. 04-06 Page 3 of 6

CASE 13641: Application of Magnum Hunter Production, 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 15, Township 16 South, Range 30 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 Henshaw-Atoka Gas Pool and Undesignated Henshaw-Morrow 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; the E/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations or pools developed on 80-acre spacing within that vertical extent, including the Undesignated Henshaw-Wolfcamp Pool; 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, including the Henshaw Queen-Grayburg-San Andres Pool. The units are to be dedicated to the Henshaw 15 Fed. Well No. 1, to be drilled at an orthodox gas well location in the SE/4 SE/4 of Section 15. 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 units are located approximately 7-1/2 miles north-northeast of Loco Hills, New Mexico.

**CASE 13642:** Application of Magnum Hunter Production, 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 E/2 of Section 33, Township 17 South, Range 30 East, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Loco Hills-Atoka Gas Pool and Undesignated Cedar Lake-Morrow Gas Pool. The unit is to be dedicated to the proposed Full Tank 33 Fed. Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 (Unit B) of Section 33. 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 2 miles south-southeast of Loco Hills, New Mexico.

## CASE 13603: Continued from January 19, 2006, Examiner Hearing

Application of Devon Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the West line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of Devon Energy Corporation as operator of the well incurred by Devon, if any, against any working interest owner's share of the costs of drilling and completing the well. Said area is located approximately 7 miles west of Artesia, New Mexico.