

**CASE 13654: Application of Western Minerals & Oil Ltd. for Simultaneous Dedication and an Unorthodox Well Location, San Juan County, New Mexico. (This case will be continued to March 30, 2006.)**

Applicant seeks authorization to simultaneously dedicate the standard 160-acre gas spacing unit in Pictured Cliffs formation, South Blanco Pictured Cliffs Gas Pool, comprised of the SW/4 of Section 24, Township 27 North, Range 8 West, to its Marron Well No. 1 (API No. 30-045-06310) located in Unit K at an unorthodox well location 380 feet from the South line and 345 feet from the West line of said Section 24 and its Marron Well No. 6 (API No. 30-045-21323) located in Unit M at a standard location 1520 feet from the South line and 1670 feet from the West line of said Section 24. Applicant also seeks approval of the unorthodox well location of the Marron Well No. 1. Said unit is located approximately 12 miles south of Blanco, New Mexico.

**CASE 13655: Application Of Nearburg Exploration Company, 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 Delaware formation in the E/2 SE/4 of Section 10, Township 25 South, Range 28 East, in order to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the SE/4 SE/4 in order to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres which includes but is not necessarily limited to the Southwest Willow Lake Delaware Pool, the Undesignated San Lorenzo-Bone Spring Pool and the Undesignated North San Lorenzo-Bone Spring Pool. This spacing and proration unit is to be dedicated to the Salt Draw 10 State Well No. 2 to be drilled as a horizontal test well from a surface location 2590 feet from the South line and 660 feet from the East line and terminating in the Delaware formation 330 feet from the South line and 330 feet from the East line. Also to be considered will be the cost of drilling and completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of Loving, New Mexico.

**CASE 13656: Application of Nearburg Exploration Company, 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 Delaware formation in the W/2 SW/4 of Section 11, Township 25 South, Range 28 East, in order to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the NW/4 SW/4 in order to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres which includes but is not necessarily limited to the Southwest Willow Lake Delaware Pool, the Undesignated San Lorenzo-Bone Spring Pool and the Undesignated North San Lorenzo-Bone Spring Pool. These spacing and proration units are to be dedicated to the Salt Draw 11 State Well No. 2 to be drilled as a horizontal test well from a surface location 2544 feet from the South line and 330 feet from the West line and terminating in the Delaware formation 330 feet from the South line and 660 feet from the West line. Also to be considered will be the cost of drilling and completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of Loving, New Mexico.

**CASE 13630: Continued from February 16, 2006, Examiner Hearing**

**Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico.** Devon Energy Production Company, L.P. seeks an exception to Rule 19.15.5.303A NMAC to authorize the surface commingling of production from the Northeast Red Lake Glorieta-Yeso Pool and the Red Lake Queen-Grayburg-San Andres Pool originating from its wells located on Federal Oil and Gas Leases NM 033865, NM 29270, NM 056122, LC 026874(b), NM 025528, NM 0557370, LC 064050(a), and LC 067849, which comprise all or parts of Sections 33, 34, and 35, Township 17 South, Range 27 East. Applicant also seeks an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Eagle "34" Tank Battery, located in the NE/4 SW/4 of Section 34. The leases and wells are located approximately 8 miles East-Northeast of Atoka, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

**CASE 13657: Application of the New Mexico Oil Conservation Division for an Order Requiring Fi-Ro Corporation to Plug Six Wells, Eddy County, New Mexico.**

The Applicant seeks an order requiring Fi-Ro Corp. to plug the following wells:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Eddy 35 State No. 1	30-015-23044	

1980 FNL, 1980 FEL G-35-18S-24E  
 Fo Fo No. 1 30-015-22866  
 2310 FNL, 990 FWL E-32-19S-27E  
 Fo Fo No. 2 30-015-22867  
 1650 FNL, 1650 FWL F-32-19S-27E  
 Fo Fo No. 3 30-015-22868  
 1650 FNL, 990 FWL E-32-19S-27E  
 Tidewater State No. 1 30-015-04656  
 2310 FNL, 1650 FEL G-36-19S-30E  
 Tidewater State No. 2 30-015-04655  
 1650 FSL, 1650 FEL J-36-19S-30E

***CASE 13658: Application of the New Mexico Oil Conservation Division for an Order Requiring Southeastern Petroleum Inc. to Plug 2 Wells and Ordering Forfeiture of Applicable Financial Assurance in the Event of Operator's Non-Compliance, Chaves County, New Mexico.***

The Applicant seeks an order requiring Southeastern Petroleum Inc. to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Pogo State #1	30-005-60915	
660 FSL/660FEL P-16-7S-28E		
Pogo State #2	30-005-61241	660FS&/1980FWL N-16-7S-28E

***CASE 13603: Continued from February 16, 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 and imposition of a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any working interest owner who does not voluntarily participate in the well. Said area is located approximately 7 miles west of Artesia, New Mexico.

***CASE 13628: Continued from February 16, 2006, Examiner Hearing***

***Application of LCX Energy, LLC 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 a 320-acre spacing unit 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, completing and equipping said well and the allocation of the costs thereof as well as operating costs and charges for supervision, designation of LCX Energy, LLC as operator of the well and imposition of a 200% penalty plus the costs of drilling, completing and equipping the well incurred by LCX against any working interest owner who does not voluntarily participate in the well. The subject well and lands are located approximately 7 miles west of Artesia, New Mexico.