## Examiner Hearing – May 11, 2006 Docket No. 16-06 Page 2 of 7

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 units are located approximately 2-1/2 miles north-northeast of Otis, New Mexico.

## CASE NO. 13691: (Continued and readvertised)

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 N/2 of Section 8, Township 15 South, Range 36 East, NMPM, 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. 2, to be located at an orthodox gas well location in the NE/4 NE/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 3-1/2 miles south-southwest of Hillburn City, New Mexico.

CASE NO. 13702: 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 9, Township 25 South, Range 26 East, NMPM, and in the following manner: The S/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 Chosa Draw-Morrow Gas Pool; the SW/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; and the SW/4 SW/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. The units are to be dedicated to the Parks Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 of Section 9. 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 Co. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles east-southeast of Whites City, New Mexico.

## CASE NO. 13690: Continued from April 13, 2006 Examiner Hearing

Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, NMPM, 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 Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 12, which is to be re-entered. Also to be considered will be the cost of re-entering 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 reentering and completing the well. Applicant also requests that the order provide for the drilling of an infill well pursuant to Division rules. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

CASE NO. 13703: Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 13, Township 11 South, Range 33 East, N.M.P.M., and in the following manner: The N/2 to form a standard 320 acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent; the NE/4 to form a standard 160 acre gas spacing and proration unit for all formations developed on 160 acre spacing within that vertical extent; the W/2 NE/4 to form a standard 80-acre oil spacing and proration unit for all formations or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Inbe "13" Well No. 1, to be located at an orthodox well location in the SW/4 NE/4 of the section. 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 units are located approximately 8-1/2 miles east-southeast of Caprock, New Mexico.