

CASE NO. 13493: (Reopened) Continued from April 27, 2006, Examiner Hearing

Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico. By Order No. R-12343-B issued by the Division on January 10, 2006, all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of irregular Section 4, Township 21 South, Range 35 East, were pooled to form a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre gas spacing within that vertical extent, including but not limited to the South Osado Morrow Pool. The 320-acre unit is dedicated to the Chesapeake KF 4 State Well No. 1 (API #30-025-3729) drilled at a standard surface location 660 feet from the South line and 990 feet from the East line to a bottom hole location 711 feet from the South line and 1888 feet from the East line of said Section 4. Chesapeake Operating, Inc. was designated operator of the well and was directed to furnish the Division and each known pooled working interest owner, including non-consenting interest owners, with an itemized schedule of actual well costs within ninety (90) days following completion of the well. Pursuant to the Notice of Objection to Well Costs filed by Kaiser-Francis Oil Company, and Samson Resources Company, the Division will consider the costs of drilling and completing this well and will determine reasonable well costs. The well and unit are located approximately 6 miles west of El Center, New Mexico.

CASE NO. 13373: Application of the New Mexico Oil Conservation Division for an order requiring Orbit Energy Inc. to return 5 wells to compliance with 19.15.4.201 NMAC, Roosevelt County, New Mexico. The Applicant moves the Oil Conservation Division Director to reopen Case No. 13373 to issue an order assessing civil penalties and finding Orbit Petroleum, Inc. (formerly Orbit Energy Inc.) to be in violation of Order R-12250, issued in Case No. 13373, requiring corrective action as to the following wells: Farrell Federal #010, API 30-041-10446, F-28-7S-33E; James McFarland #004, API 30-041-10567, L-20-7S-33E; Humble Federal #005, API 30-041-20116, B-26-7S-32E; State BA #001, API 30-041-10003, A-34-7S-35E; State BA #002, API 30-041-20048, H-34-7S-35E. The wells are located approximately 30 miles southwest of Portales in Roosevelt County, New Mexico.

CASE NO. 13728: Application of the New Mexico Oil Conservation Division for an Order Requiring Platinum Exploration Inc. to Properly Plug One Well, Imposing Civil Penalties, Authorizing the Division to Plug Said Well in Default of Compliance by Operator, and Ordering a Forfeiture of the Applicable Financial Assurance, Lea County, New Mexico. The Applicant seeks an order requiring Platinum Exploration Inc. to properly plug and abandon one inactive well in Lea County, New Mexico, imposing civil penalties, authorizing the Division to plug said well if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is: Huber State #1, API #30-025-27290, Lot 1, Section 5, Township 16 South, Range 38 East. The well is located 10-15 miles east of Lovington, in Lea County, New Mexico.

CASE NO. 13563: Continued from May 25, 2006, Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring CKG Energy, Inc. and/or Cedar Gas Company to Properly Plug 8 Well(s) and to Close Pits, Quay County, New Mexico. The applicant seeks an order requiring CKG Energy, Inc., the operator of eight inactive well(s) in Quay County, New Mexico, to properly plug and abandon the same, and to properly close abandoned pits located at the sites of said wells, and providing for such other relief as the Director deems appropriate.

CASE NO. 13662: Continued from May 25, 2006, Examiner Hearing

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the following described acreage in Section 6, Township 29 North, Range 13 West, NMPM, and in the following manner: Lots 2-5, 8, 9, 11-13, S/2 NW/4 NE/4 NE/4, S/2 SW/4 NE/4 NE/4, S/2 NE/4, and the SE/4 NW/4 (the N/2) to form a non-standard 248.11-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing, including the Basin-Fruitland Coal Gas Pool; Lots 2, 8, 9, 11-13, S/2 NW/4 NE/4 NE/4, S/2 SW/4 NE/4 NE/4, and the S/2 NE/4 (the NE/4) to form a standard 159.82-acre gas spacing and proration unit for all pools or formations developed on 160 acre spacing, including the West Kutz-Pictured Cliffs Gas Pool; and Lots 3-5 and the SE/4 NW/4 (the NW/4) to form a non-standard 88.29-acre gas spacing and proration unit for all pools or formations developed on 160 acre spacing, including the West Kutz-Pictured Cliffs Gas Pool. The units are to be dedicated to the Madrid 29-13-6 Well No. 111, to be located at an orthodox location in the NE/4 of Section 6, and the Madrid 29-13-6 Well No. 112, to be located at an orthodox location in the NW/4 of Section 6. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 1 mile west of Farmington, New Mexico.

CASE NO. 13663: Continued from May 25, 2006, Examiner Hearing

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the following described acreage in Section 8, Township 29 North, Range 11 West, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any pools or formations developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any pools or formations developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the proposed Duff 29-11-8 Well No. 105, to be drilled at an orthodox location in the SW/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 units are located approximately 6 miles southwest of Aztec, New Mexico.