

DOCKET: EXAMINER HEARING - THURSDAY – July 6, 2006

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 24-06 and 25-06 are tentatively set for July 20, 2006 and August 3, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE NO. 13729: Continued from June 22, 2006 Examiner Hearing

Application of OGX Resources LLC 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 S/2 of Section 8, T24S, R27E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for production from any and all formation or pools developed on 320-acre spacing including but not limited to the Black River-Morrow Gas Pool. This unit is to be dedicated to its Red Bat Fee Com Well No. 1 (API# 30-015-34701) to be drilled at a standard gas well location in Unit O of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of OGX Resources LLC as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 8 miles West from Malaga, New Mexico.

CASE NO. 13695: Continued from June 8, 2006 Examiner Hearing

Application of Chaparral Energy, LLC for approval of a salt-water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its State K Well No. 1-21 (API No. 30-025-22049) located 1980 feet from the South and West lines (Unit K) of Section 21, Township 11 South, Range 33 East, to dispose of produced water into the San Andres formation from depths of 3,850 feet to 4,469 feet.

CASE NO. 13738: Application of Devon Energy Production Company, L.P. 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 Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) Section 2, Township 22 South, Range 26 East, NMPM, to form a standard 320.63-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 Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool. The unit will be dedicated to the Perfecto 2 State Com. Well No. 1, to be drilled in the SW/4 NW/4 of Section 2. 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 2-1/2 miles West of Carlsbad, New Mexico.

CASE NO. 13732: Continued from June 22, 2006 Examiner Hearing

Application of Devon Energy Production Company, L.P. 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 22, Township 19 South, Range 31 East, NMPM, and in the following manner: The W/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 West Lusk-Morrow Gas Pool; the SW/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Gas Pool; and the SE/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, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso "22" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 22. 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 14 miles south-southeast of Loco Hills, New Mexico.

CASE NO. 13739: Application of McKay Oil & Gas, 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 Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 1, Township 30 North, Range 12 West, NMPM to form a standard 319.40-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Kelly Well No. 1, to be located at an orthodox location in the SE/4 NW/4 of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 miles North-Northeast of Flora Vista, New Mexico.