

DOCKET: EXAMINER HEARING - THURSDAY – May 25, 2006

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

Docket Nos. 18-06 and 19-06 are tentatively set for June 8, 2006 and June 22, 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. 13702: Continued from May 11, 2006, Examiner Hearing

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. 13650: Continued from April 27, 2006, Examiner Hearing

Application of Ridgeway Arizona Oil Corporation for Approval of a Unit Agreement, Catron County, New Mexico.

Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North, Range 20 West, N.M.P.M.

Sections 30-32: All

Township 2 North, Range 21 West, N.M.P.M.

Section 9: All

Sections 14-16: All

Sections 21-28: All

Sections 33-36: All

Township 1 North, Range 20 West, N.M.P.M.

Sections 4-9: All

Sections 16-21: All

Section 26: S/2

Section 27: S/2

Sections 28-35: All

Township 1 North, Range 21 West, N.M.P.M.

Sections 1-4: All

Sections 9-16: All

Sections 21-28: All

Sections 33-36: All

Township 1 South, Range 20 West, N.M.P.M.

Sections 2-10: All

Sections 16-21: All

Sections 28-33: All

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4: All

Sections 9-16: All

Sections 21-28: All

Sections 33-36: All

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Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8: All
Sections 18-19: All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4: All
Sections 9-16: All
Sections 21-28: All
Sections 33-36: All

Township 3 South, Range 21 West, N.M.P.M.

Sections 3-4: All

The proposed unit area is centered approximately 33 miles west-southwest of Quemado, New Mexico.

CASE NO. 13716: *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 re-entering 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: *Continued from May 11, 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 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.

CASE NO. 13717: *Application of BTA Oil Producers for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation in the following described spacing and proration unit located in the W/2 of Section 31, Township 16 South, Range 35 East, N.M.P.M., Lea County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the North Vacuum-Atoka-Morrow Gas Pool. Said unit is to be dedicated to its 9205 JV-P Vacuum Well No. 1 to be re-entered and to drill opposing laterals at a surface location 1982 feet from the South line and 653 feet from the West line (Unit L), NMPM, Lea County, New Mexico. The first lateral will be drilled to the southeast to a proposed bottomhole location 460 feet from the South line and 2180 from the West line of Section 31 and the second lateral will be drilled to the northeast to a proposed bottomhole location 460 feet from the North line and 1980 feet from the West line of Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of BTA Oil Producers as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles southwest of Lovington, New Mexico.

CASE NO. 13718: *Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of Morrow formation in the following described spacing and proration units located in the W/2 of Section 4, Township 19 South, Range 35 East, N.M.P.M., Lea County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Millman-Morrow Gas Pool and the Undesignated Millman-Strawn Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Travis-Upper Pennsylvanian Pool and the Travis Wolfcamp Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Senita State Well No. 1 to be drilled at a standard gas well location 1540 feet from the North line and 1070 feet from the West line (Unit E) of said Section 4. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of