

West Carlsbad-Delaware Pool. Said units are to be dedicated to its WC "4" Well No. 4 to be horizontally drilled from a non-standard surface location 1100 feet from the North line and 990 feet from the East line (Unit A) and a bottomhole location 1060 feet from the North line and 660 feet from the East line of said Section 4 to an approximate depth of 11,500 feet. 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 Chi Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile west of Carlsbad, New Mexico.

CASE NO. 13815: **Application of Chi Operating, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the NE/4 of Section 11, Township 14 South, Range 34 East, N.M.P.M., Lea County, New Mexico: the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Cerca-Upper Pennsylvanian Pool, and the SE/4 NE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Elkan Well No. 2 to be drilled 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 11 to an approximate depth of 10,600 feet. 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 Chi Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles northwest of Lovington, New Mexico.

CASE NO. 13816: **Application of Black Hills Exploration & Production, Inc. for the creation of the Jicarilla Apache Tribal Lands Production Area and the adoption of Special Pool Rules and Regulations therefor in the Pictured Cliffs formation, East-Blanco Pictured Cliffs Pool, and the Tertiary formation, Cabresto Canyon-Tertiary Pool, Rio Arriba County, New Mexico.** Applicant seeks the creation of the Jicarilla Apache Tribal Lands Production Area to be comprised of the following lands located in Rio Arriba County, New Mexico:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

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| Sections 4 through 9: | All |
| Sections 15 through 22: | All |
| Sections 26 through 35: | All |

TOWNSHIP 31 NORTH, RANGE 3 WEST, NMPM

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|-------------|-----|
| Section 32: | S/2 |
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TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

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| Sections 3 through 10: | All |
|------------------------|-----|

Applicant also seeks the adoption of Special Rules and Regulations for the Jicarilla Apache Tribal Lands Production Area that provide for increased well density within each standard 160-acre spacing and proration unit from the current maximum of one well as provided by Division General Rule 104.C, to a maximum of two wells (80-acre infill wells) per 160-acre gas spacing and proration unit and for special well location requirements. This area is located approximately 4 miles to 6 miles Southwest of Burns, New Mexico.

CASE NO. 13817: **Application of Harvey E. Yates Company for an exemption from Oil Conservation Commission Rule 19.15.2.50(A) NMAC to allow the use of a reserve pit (of which permission to use may otherwise be unavailable due to the application of Oil Conservation Commission Rule 19.15.1.21(B) in the Bennett Ranch Federal Exploratory Unit (BRU) as part of an underbalanced (air drill) system for the proposed BRU #6 exploratory well in Section 24, Township 26 South, Range 12 East, Otero County, New Mexico.**

CASE NO. 13818: **In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Eddy County, New Mexico.**

(a) CREATE a new pool in Eddy County, New Mexico for the production of gas from the Atoka formation and designated as the Maroon Cliffs-Atoka Gas Pool (**Pool Code 97557**). The discovery well is the BEPCO, L.P. Big Eddy Unit Well No. 44 (**API No. 30-015-21529**) located in Unit H of Section 16, Township 21 South, Range 30 East, NMPM.

Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 30 EAST, NMPM

Section 16: E/2

- (b) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool (**Pool Code 70310**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 1: W/2

- (c) EXTEND the Benson-Delaware Pool (**Pool Code 97083**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 11: NE/4

Section 12: NW/4

- (d) EXTEND the Brushy Draw-Delaware Pool (**Pool Code 8080**) in Eddy County, New Mexico to include:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM

Section 4: W/2

- (e) EXTEND the Bunting Ranch-Morrow Gas Pool (**Pool Code 73100**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM

Section 13: S/2

Section 14: S/2

Section 24: W/2

Section 25: W/2

- (f) EXTEND the Burton Flat-Atoka Gas Pool (**Pool Code 73160**) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 27: N/2

Section 28: N/2

- (g) EXTEND the Cass Ranch-Upper Pennsylvanian Gas Pool (**Pool Code 97271**) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 9: S/2

Section 10: S/2

Section 11: SW/4

Section 16: W/2

- (h) EXTEND the Cedar Canyon-Delaware Pool (**Pool Code 11540**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 12: SW/4

- (i) EXTEND the Chosa Draw-Morrow Gas Pool (**Pool Code 74900**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

Section 25: S/2

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 17: S/2

- (j) EXTEND the Collins Ranch-Wolfcamp Gas Pool (**Pool Code 75010**) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 15: SE/4

- (k) EXTEND the Northwest Corral Canyon-Delaware Pool (**Pool Code 96464**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 35: SE/4

- (l) EXTEND the Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75250**) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 8: E/2

Section 17: NE/4 and S/2

- (m) EXTEND the West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 6: S/2

- (n) EXTEND the Cottonwood Draw-Delaware Pool (**Pool Code 96541**) in Eddy County, New Mexico to include:

TOWNSHIP 26 SOUTH, RANGE 26 EAST, NMPM

Section 1: N/2

Section 2: NE/4

TOWNSHIP 26 SOUTH, RANGE 27 EAST, NMPM

Section 6: NW/4

- (o) EXTEND the Crow Flats-Morrow Gas Pool (**Pool Code 75720**) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 18: All

- (p) EXTEND the Southwest Four Mile Draw-Wolfcamp Gas Pool (**Pool Code 97553**) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 21 EAST, NMPM

Section 36: E/2

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM

Section 12: W/2

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 6: W/2

- (q) EXTEND the Golden Lane-Atoka Gas Pool (**Pool Code 77520**) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 6: S/2

Section 7: N/2

Section 8: N/2

- (r) EXTEND the Southeast Greenwood-Morrow Gas Pool (**Pool Code 97224**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 36: E/2

- (s) EXTEND the Laguna Salado-Bone Spring Pool (**Pool Code 96721**) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 22: NW/4

- (t) EXTEND the Little Box Canyon-Morrow Gas Pool (**Pool Code 80240**) in Eddy County, New Mexico to include:

TOWNSHIP 20½ SOUTH, RANGE 22 EAST, NMPM

Section 32: All

- (u) EXTEND the Mosley Canyon-Strawn Gas Pool (**Pool Code 81470**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 25 EAST, NMPM

Section 4: All

- (v) EXTEND the East Pierce Crossing-Bone Spring Pool (**Pool Code 96473**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 12: SW/4

- (w) EXTEND the Rocky Arroyo-Canyon Gas Pool (**Pool Code 84120**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 16: N/2

Section 17: N/2

- (x) EXTEND the Sand Tank-Bone Spring Pool (**Pool Code 96832**) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 7: SE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.