

CASE 13948: **Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the following described spacing and proration unit located in the S/2 of Section 20, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to its Bubbling Over 1525-20 Fed Com Well No. 1 to be drilled at a surface location 1880 feet from the South line and 190 feet from the West line of Section 21 and a bottomhole location 1880 feet from the South line and 660 feet from the West line of Section 20, Township 15 South, Range 25 East, NMPM, Chaves County, New Mexico to an approximate depth of 5500 feet to test any and all formations from the surface to the base of the Wolfcamp formation. 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 Parallel Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 5 miles north of Artesia, New Mexico.

CASE 13923: **Continued from the June 21, 2007 Examiner Hearing**

Application of SDX Resources, Inc. for Approval of a Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for injection of water into the Queen, Grayburg, San Andres formation, Artesia Queen-Grayburg-San Andres Pool through one injection well located in the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 32: NE/ 4, SW/4
Section 29: SE/4 SE/4
Section 31: E/2 E/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 6: NE/4 NE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Said unit is located approximately 12 miles east of Artesia, New Mexico .

CASE 13949: **Application of Marbob Energy Corporation for a non-standard oil spacing unit and compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order (1) creating a non-standard oil spacing unit comprised of the E/2 NE/4 of Section 12, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, which is the project area for a proposed horizontal oil well, and (2) pooling all mineral interests in this non-standard oil spacing unit from the surface to the base of the Bone Spring formation, Lusk-Bone Spring Pool. Marbob proposes to dedicate the above-referenced non-standard spacing or proration unit to its Malibu Federal Well No. 2 (API No. 30-015-35563) to be drilled from a surface location 330 feet from the North line and 660 feet from the East line and then, at a depth of 9450 feet, drilled in a southerly direction to encounter the Bone Spring formation at an approximate depth of 9850 feet. The well then will be drilled horizontally in the Bone Spring formation to a terminus at a location 2310 feet from the North line and 660 feet from the East Line of said Section 12. All formations from the surface to the base of the Bone Spring formation will be tested. 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 Marbob Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 15 miles southeast of Loco Hills, New Mexico.

CASE 13950: **Application of Oxy USA WTP-Limited Partnership for denial of an Application for Permit to Drill, Eddy County, New Mexico.** Pursuant to the provisions of Oil Conservation Division ("Division") Rule 104.E and Division Order No. R-12747-A entered on June 7, 2007, applicant seeks an order denying an application of Bold Energy, LP for Permit to Drill the Checker State Well No. 2 in the SW/4 NW/4 (Unit E) of Section 8, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico. This well is located approximately 12 miles southwest of Loco Hills, New Mexico.

CASE 13937: **Continued from the June 21, 2007 Examiner Hearing**

Application of Mewbourne Oil Company 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 3,

Township 20 South, Range 29 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Burton Flat-Strawn Gas Pool, West Parkway-Atoka Gas Pool, and East Burton Flat-Morrow Gas Pool. The unit is to be dedicated to the proposed Sharps 3 Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4 SW/4 of Section 3. 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 21 miles east of Seven Rivers, New Mexico.

CASE 13951: Application of U.S. Enercorp, Ltd. for a non-standard oil spacing and proration unit and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 2, and Lots 1, 2, S/2 NE/4, and SE/4 of Section 3 (the E/2), in Township 23 North, Range 1 West, NMPM, to form a non-standard 644.28-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the West Puerto Chiquito-Mancos Pool. The unit is to be dedicated to the Laguna Colorado 2/3 Well No. 1, a directional well to be drilled at a surface location 3250 feet from the South line and 1220 feet from the East line of Section 3, with a terminus 2180 feet from the South line and 1870 feet from the West line of Section 2. Applicant also requests approval of an unorthodox location for the well. The unit is located approximately 4 miles west-northwest of Gallina, New Mexico.

CASE 13952: 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 17 South, Range 30 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 Loco Hills-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 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. The units are to be dedicated to the Stewart "9" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/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 Cimarex Energy Co. of Colorado 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 miles north of Loco Hills, New Mexico.

CASE. 13899: Continued from the June 21, 2007 Examiner Hearing
Application of Devon Energy Production Company, L.P. for approval of five non-standard gas spacing and proration units, San Juan and Rio Arriba Counties, New Mexico. Applicant seeks approval of the following non-standard gas spacing and proration units for production from the Basin-Dakota Gas Pool:

(a) Township 31 North, Range 7 West, N.M.P.M.

Section 19: Lots 5-8 and E/2 W/2

Section 30: Lot 5 and NE/4 NW/4

Containing 259.82 acres.

(b) Township 31 North, Range 7 West, N.M.P.M.

Section 30: Lots 6, 9, 10, SE/4 NW/4, and E/2 SW/4

Section 31: Lots 7, 8, and E/2 NW/4

Containing 250.65 acres.

(c) Township 31 North, Range 7 West, N.M.P.M.

Section 31: Lots 11, 12, and E/2 SW/4

Township 30 North, Range 7 West, N.M.P.M.

Section 6: Lots 10, 11, 12, 17, 18, 19, SE/4 NW/4, NE/4 SW/4, and

6.58 acres out of Tract 40