Examiner Hearing – January 24, 2008 Docket No. 3-08 Page 2 of 6

MATTIX WOOLWORTH UNIT #115, 30-025-11350 LANGLIE MATTIX WOOLWORTH UNIT #127, 30-025-11342 LANGLIE MATTIX WOOLWORTH UNIT #141, 30-025-11352 LANGLIE MATTIX WOOLWORTH UNIT #152, 30-025-11348 LANGLIE MATTIX WOOLWORTH UNIT #163, 30-025-11281 LANGLIE MATTIX WOOLWORTH UNIT #164, 30-025-11270 LANGLIE MATTIX WOOLWORTH UNIT #201, 30-025-11261 LANGLIE MATTIX WOOLWORTH UNIT #304, 30-025-11264 LANGLIE MATTIX WOOLWORTH UNIT #307, 30-025-11245 LANGLIE MATTIX WOOLWORTH UNIT #501, 30-025-11247 LANGLIE MATTIX WOOLWORTH UNIT #601, 30-025-11251 LANGLIE MATTIX WOOLWORTH UNIT #701, 30-025-23310 LANGLIE MATTIX WOOLWORTH UNIT #710, 30-025-11325 LANGLIE MATTIX WOOLWORTH UNIT #801, and 30-025-23607 LANGLIE MATTIX WOOLWORTH UNIT #805. The wells are located approximately 10 miles northeast of Jal, in Lea County, New Mexico.

2. <u>CASE 14051</u>: (Continued from the January 10, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against Reubin Collins d/b/a RCJ Enterprises. The Applicant seeks an Order finding that operator violated 19.15.13.1115 NMAC; as to active wells violated 19.15.9.701 NMAC and 19.15.13.1104 NMAC, or in the alternative, violated 19.15.4.201 NMAC; requiring operator to return the wells into compliance with OCD rules by a date certain and authorizing the Division to plug the wells in the event of non-compliance; and assessing penalties. The affected wells are:

- Buffalo Unit No. 008; H-34-18S-33E; API No. 30-025-21846
- Buffalo Unit No. 010; A-34-18S-33E; API No. 30-025-21957
- Buffalo Unit No. 011; L-35-18S-33E; API 30-025-22598

These wells are located approximately 20 miles southwest of Lovington, in Lea County, New Mexico.

- Cockburn Federal No. 004; K-34-17S-33E; API No. 30-025-01391
- Cockburn Federal No. 006; J-34-17S-33E; API No. 30-025-01392

These wells are located approximately 13 miles southwest of Lovington, in Lea County, New Mexico.

- Wallen Bass No. 002; N-21-20S-34E; API No. 30-025-26458
- Wallen Bass No. 004; O-21-20S-34E; API No. 30-025-26288

These wells are located approximately 10 miles southwest of Monument, New Mexico, Lea County.

3. CASE 14054: (Continued from the January 10, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against Kimlar Oil Company. The Applicant seeks an order finding operator in violation of 19.15.3.116 and 19.15.9.703 NMAC; requiring operator to bring the wells into compliance with 19.15.3.116 and 19.15.9.703 by a date certain; and assessing penalties. The affected wells are:

- Gourley Federal No. 003; API No. 30-015-22660; A-31-22S-28E
- Gourley Federal No. 004; API No. 30-015-22661; J-31-22S-28E

The wells are located approximately 9 miles southeast of Carlsbad, in Eddy County, New Mexico.

4. CASE 14055: (Continued from the January 10, 2008 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company. The Applicant seeks an Order finding that Operator is in violation of 19.15.13.1115 NMAC and 19.15.4.201 NMAC as to seventeen wells, requiring Operator to bring the seventeen wells into compliance with 19.15.13.115 NMAC and 19.15.4.201 NMAC by a date certain, authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance, and assessing penalties. The affected wells are:

•	Amoco No. 001;	L-13-17S-27E;	30-015-24738
•	Muncy Federal No. 001;	F-13-17S-27E;	30-015-23083
•	Muncy Federal No. 002;	E-13-17S-27E;	30-015-25012

Examiner Hearing – January 24, 2008 Docket No. 3-08 Page 3 of 6

•	Saunders No. 012;	O-13-17S-27E;	30-015-22348
•	Michael State No. 001;	H-25-17S-27E;	30-015-24877
•	Schneider No. 001;	J-24-17S-27E;	30-015-22907
•	Scott Federal No. 001;	P-12-17S-27E;	30-015-25437

These wells are located approximately 10 miles west of Loco Hills, in Eddy County, New Mexico.

•	Hastie No. 016;	4-18-17S-28E;	30-015-22371
•	Hastie No. 017;	3-18-17S-28E;	30-015-22852
•	Hastie No. 018;	N-18-17S-28E;	30-015-22848
•	Hastie No. 019;	2-18-17S-28E;	30-015-23186
•	Hastie No. 020;	1-18-17S-28E;	30-015-23516
•	Hastie No. 021;	C-18-17S-28E;	30-015-23821

These wells are located approximately 8 miles west of Loco Hills, in Eddy County, New Mexico.

•	Shearn Becky Federal No. 001;	B-14-17S-27E;	*	30-015-34440
•	Shearn Freedom Federal No. 002;	A-14-17S-27E;		30-015-34454
•	Shearn Samantha Federal No. 001;	G-14-17S-27E;		30-015-31059
•	Shearn Shilo Federal No. 001;	B-14-17S-27E;		30-015-31061

These wells are located approximately 11 miles west of Loco Hills, in Eddy County, New Mexico.

- 5. <u>CASE 14068</u>: Application of Cambrian Management, Ltd. for approval of a waterflood project, Chaves County, New Mexico. Applicant seeks approval of a lease waterflood (secondary recovery) project in the Chaveroo-San Andres Pool by the injection of water into one well located on Federal Lease NM 0174830 insofar as it covers the W/2 NE/4 and E/2 NW/4 of Section 18, Township 8 South, Range 33 East, N.M.P.M. The project is located approximately 15 miles west of Milnesand, New Mexico.
- 6. <u>CASE 14046</u>: (Continued from the January 10, 2008 Examiner Hearing.)

 Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the W/2SW/4 of Section 6, Township 15 South, Range 38 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Humboldt 6 State Com. Well No. 1, a horizontal well to be drilled at a surface location 430 feet from the south line and 430 feet from the west line of Section 6, with a terminus 2310 feet from the south line and 430 feet from 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 4-1/2 miles southeast of Prairieview, New Mexico.
- 7. <u>CASE 14063</u>: (Continued from the January 10, 2008 Examiner Hearing.)

 Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the W/2 NE/4 of Section 13, Township 15 South, Range 37 East, NMPM, to form a non-standard 40-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Denton-Wolfcamp Pool, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Missouri Unit 13 Fee Well No. 5, a horizontal well to be drilled at a surface location 430 feet from the North line and 2150 feet from the East line of Section 13, with a terminus 2310 feet from the North line and 2150 feet from the East line of Section 13. 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 5-1/2 miles southeast of Prairieview, New Mexico.