Examiner Hearing – February 7, 2008 Docket No. 4-08 Page 7 of 8

and 430 feet from the west line of Section 6. 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 4-1/2 miles southeast of Prairieview, New Mexico.

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.

- 19. CASE 14086: Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the following described acreage in Section 20, Township 20 South, Range 36 East, NMPM, and in the following manner: The E/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; and all of Section 20 to form a standard 640-acre gas spacing and proration unit for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the North Osudo-Morrow Gas Pool. The units are to be dedicated to the proposed Paloma "20" State Com. Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 of Section 20. 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 miles southwest of Monument, New Mexico.
- 20. <u>CASE 14087</u>: Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an exception to NMAC 19.15.5.303.A to authorize the surface commingling of production from the Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool originating from its wells located on (i) United States Oil and Gas Lease LC 070678-A, covering the NW/4 NW/4, S/2 NW/4, N/2 SW/4, and SW/4 SE/4 of Section 8, (ii) United States Oil and Gas Lease NM 89156, covering the SE/4 SW/4 and NW/4 SE/4 of Section 8, (iii) United States Oil and Gas Lease NM 29273, covering the SE/4 SE/4 of Section 8, and (iv) United States Oil and Gas Lease NM 0758, covering the NE/4 NW/4 of Section 17, all in Township 18 South, Range 27 East, N.M.P.M. Applicant also seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Hawk "8" Tank Battery, located in the NE/4 SW/4 of Section 8. The leases and wells are located approximately 5-1/2 miles East of Atoka, New Mexico.
- 21. <u>CASE 14088</u>: Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an exception to NMAC 19.15.5.303.A to authorize the surface commingling of production from the Red Lake Queen-Grayburg-San Andres Pool and Red Lake Glorieta-Yeso Pool originating from its wells located on Federal Lease NM 7717, covering the NE/4 SW/4 of Section 4, and Federal Lease LC 061783-A, covering the SE/4 of Section 4, in Township 18 South, Range 27 East, N.M.P.M. Applicant also seeks an exception to the metering requirements of NMAC 19.15.5.303.B(4)(a) to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Windfohr "4" Tank Battery, located in the NE/4 SE/4 of Section 4. The leases and wells are located approximately 6-1/2 miles East of Atoka, New Mexico.