

4. **CASE 13981:** (Continued from the September 20, 2007 Examiner Hearing.) *Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling and unorthodox gas well location, Chaves County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 8, Township 13 South, Range 27 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. The unit is to be dedicated to the plugged and abandoned Pecos River Bluff Unit Well No. 1, to be re-named the Cazador Fed. Com. Well No. 1, to be re-entered at an unorthodox location 2034 feet from the North line and 660 feet from the East line of Section 8. Also to be considered will be the cost of re-entering, 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 re-entering, drilling, and completing the well. The unit is located approximately 6-1/2 miles east of Dexter, New Mexico.
5. **CASE 14001:** *Application of Chesapeake Exploration, L.L.C. for statutory unitization of the Quail-Queen Unit Area, Lea County, New Mexico.* Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Queen formation, Quail-Queen Pool, underlying 840 acres, more or less, of State and Fee lands in the following acreage:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 11:	S/2, NE/4
Section 13:	W/2 NW/4, NW/4 SW/4
Section 14:	NE/4, N/2 NW/4

Said unit to be designated the Quail-Queen Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 22 miles West of Hobbs, New Mexico.

6. **CASE 14002:** *Application of Chesapeake Exploration, L.L.C. for approval of a waterflood project and qualification of the Project Area of the Quail-Queen Unit for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.* Applicant seeks approval of its Quail-Queen Unit Waterflood Project by injection of water into the Queen formation through six injection wells located in the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 11:	S/2, NE/4
Section 13:	W/2 NW/4, NW/4 SW/4
Section 14:	NE/4, N/2 NW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 22 miles west of Hobbs, New Mexico.

7. **CASE 13952:** (Continued from the September 20, 2007 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 17 South, Range 30 East, NMPM, and in the