Examiner Hearing – March 20, 2008 Docket No. 10-08 Page 4 of 5

dedicated to the Sunshine Well No. 1, a horizontal well drilled at a surface location 2235 feet from the South line and 660 feet from the West line of Section 13, with a terminus 379 feet from the South line and 664 feet from the West 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.

- 7. CASE 14098: Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.

 Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW/4 NW/4 of Section 11, Township 20 South, Range 38 East, NMPM, 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, including the House-Blinebry Pool and House-Tubb Pool. The unit will be dedicated to the Magnolia Well No. 1, to be drilled at an orthodox oil well location in the SW/4 NW/4 of Section 11. 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 2-1/2 miles south of Nadine, New Mexico.
- 8. <u>CASE 14099</u>: Application of RSC Resources Limited Partnership for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of the S/2 N/2 of Section 19, Township 16 South, Range 29 East, NMPM, to form a non-standard 160-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Lucky Wolf "19" State Com. Well No. 1H, a horizontal well to be drilled at a surface location 1980 feet from the North line and 10 feet from the West line, with a terminus 1980 feet from the North line and 330 feet from the East line, of Section 19. 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 12 miles northwest of Loco Hills, New Mexico.
- 21. 2008 Examiner Hearing.)

 Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.

 Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the S/2 of Section 9, Township 15 South, Range 25 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent, including the Undesignated Walnut Creek-Wolfcamp Gas Pool. The unit is to be dedicated to the proposed War Emblem 1525-9 Fed. Com. Well No. 1H, to be drilled at a surface location 1880 feet from the south line and 190 feet from the east line of Section 8, Township 15 South, Range 25 East, N.M.P.M., with a penetration point 1880 feet from the south line and 660 feet from the west line of Section 9 and a terminus 1880 feet from the south line and 660 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 5 miles northwest of Lake Arthur, New Mexico.
- 10. CASE 14062: (Continued from the February 21, 2008 Examiner Hearing.)

 Application of Chesapeake Operating, Inc. for rescission of the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, Eddy County, New Mexico. Applicant seeks rescission of the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool to permit the pool to be developed under the current General Rule 104 for oil that provides for 40-acre spacing units with wells located no closer than 330 feet to any boundary of such unit. The South Culebra Bluff-Bone Spring Pool includes the following acreage in Eddy County, New Mexico: the \$\frac{1}{2}\$ of section 34 and the \$W/2\$ of section 35, Township 22 South, Range 28 East, NMPM; sections 2, 11, 13 through 16, the NE/4 of section 21, the NE/4 of section 22, sections 23 through 27, Township 23 South, Range 28 East, NMPM; SW/4 of section 7, the NW/4 of section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Said pool is located less than a mile to the northeast and to the south of Loving, New Mexico.