

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.

10. **CASE 14024: (Re-opened and Re-Advertised) (Continued from the May 15, 2008 Examiner Hearing.)** *Application of OGX Resources, L.L.C. 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 in the following described spacing and proration units located in the E/2 of Section 34, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Otis-Morrow Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated Carlsbad-Strawn Gas and the Undesignated Cass Draw-Wolfcamp Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Undesignated North Cass Draw-Wolfcamp Pool. Said units are to be dedicated to its Weems Well No. 1 (API No. 30-015-35789) to be directionally drilled as a gas well from a standard surface location 1073 feet from the North line and 1501 feet from the East line (Unit B), to a standard bottom hole location 660 feet from the North and East lines (Unit A) of said Section 34 at an approximate depth of 12,400 feet to test any and all formations from the surface to the base of the Morrow 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 OGX Resources, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles east of the Carlsbad, New Mexico Municipal Airport.

11. **CASE 14133: Application of the New Mexico Oil Conservation Division for Pool Creation, Pre-approval for Downhole Commingling and Designation of Special Pool Rules, Basin-Mancos Gas Pool (97232), Rio Arriba, San Juan and Sandoval Counties.** Applicant in the above-styled cause seeks the creation of the Basin Mancos Gas Pool for the production of natural gas and natural gas liquids from natural fractures and from sandstone/siltstone intervals in the Mancos Formation, which will allow a small resource to be developed in conjunction with the Basin Dakota Gas Pool and the Blanco Mesaverde Gas Pool wells. Applicant seeks the promulgation of special pool rules for this new pool, including the pre-approval for downhole commingling with the Basin Dakota and Blanco Mesaverde Gas Pool wells pursuant to OCD Rule 303.C.3.b [19.15.5.303.C.3.b NMAC], that spacing requirements and setbacks be the same as for the Basin Dakota and Blanco Mesaverde Pools, and that special pool rules also be created to address well locations, gas proration units and well density limits. Applicant further seeks necessary adjustments (expansion and contraction) of the existing Gallup pools in San Juan and Rio Arriba Counties to facilitate the establishment of the Basin Mancos Gas Pool as shown below. Vertical limits of the proposed new pool will extend from the base of the Point Lookout Formation to the base of the Greenhorn Member (Bridge Creek Limestone) of the Mancos Formation, and horizontal limits of the proposed new pool will be San Juan and Rio Arriba Counties, New Mexico, plus Section 21, Township 23 North, Range 5 West in Sandoval County.

A. The following pools in Rio Arriba, Sandoval and San Juan Counties will be contracted, as shown, on the outer margins due to lack of production and abandonment of wells around the margins of existing Gallup Pools:

- (a) B.S. Mesa-Gallup Gas Pool (72920)

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM
Section 32: S/2

- (b) Devil's Fork-Gallup Associated Pool (17610)

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 29: N/2 and SE/4

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 11: E/2
Section 14: E/2 and SW/4