

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 18, 2008

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 1-09 and 2-09 are tentatively set for January 8, 2009 and January 22, 2009. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

Locator Key for Cases

Case 14147 – No. 1
Case 14148 – No. 2
Case 14162 – No. 9
Case 14173 – No. 10
Case 14178 – No. 21
Case 14220 – No. 16
Case 14232 – No. 17
Case 14233 – No. 18
Case 14235 – No. 19
Case 14236 – No. 20
Case 14242 – No. 7
Case 14243 – No. 8
Case 14250 – No. 11
Case 14251 – No. 12
Case 14252 – No. 13
Case 14253 – No. 14
Case 14254 – No. 15
Case 14256 – No. 3
Case 14257 – No. 4
Case 14258 – No. 5
Case 14259 – No. 6

1. **CASE 14147:** *Amended (This case will be dismissed.)*

Application of Chesapeake Operating, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in a 160-acre project area located in the S/2 N/2 of Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The above-referenced spacing unit will be dedicated to Chesapeake's Diamond 31 Federal Well No. 4H which will be drilled to test the Bone Springs formation, Willow Lake Bone Spring Pool, from a surface location 1670 feet from the North line and 25 feet from the East line and to a bottomhole location 1670 feet from the North line and 350 feet from the West line of said Section 31. 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 Chesapeake Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast of Malaga, New Mexico.

2. **CASE 14148:** *(This case will be dismissed.)*

Application of Chesapeake Operating, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in a 160-acre project area located in the S/2 N/2 of Section 31, Township 24 South, Range 29 East, N.M.P.M., Eddy County, New Mexico. The above-referenced spacing unit will be dedicated to Chesapeake's Diamond 31 Federal Well No. 3H which will be drilled to test the Delaware formation, Willow Lake Delaware Pool, from a surface location 2310 feet from the

North line and 25 feet from the East line and to a bottomhole location 2310 feet from the North line and 350 feet from the West line of said Section 31. 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 Chesapeake Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast of Malaga, New Mexico.

3. **CASE 14256: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SW/4 NW/4 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent, including the Undesignated Cemetery-Yeso Pool. The unit is to be dedicated to the proposed Long Draw "10" E Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 of Section 10. 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 3-1/2 miles west-southwest of Seven Rivers, New Mexico.
4. **CASE 14257: Application of Marbob Energy Corp. 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 6, Township 24 South, Range 29 East, NMPM, and in the following manner: Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) to form a standard 319.88-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Malaga-Atoka Gas Pool and Cedar Canyon-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 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 Undesignated Malaga-Delaware Pool. The units are to be dedicated to the Double Dale Fee Com. Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 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 units are located approximately 3-1/2 miles northeast of Malaga, New Mexico.
5. **CASE 14258: Application of Purvis Operating Co. for compulsory pooling, Lea County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 7, Township 15 South, Range 35 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, including the Undesignated North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 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. The units are to be dedicated to the proposed Antelope Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 7. 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 northwest of Lovington, New Mexico.
6. **CASE 14259: Application of Edge Petroleum Operating Company, Inc. to expand the horizontal limits of the Lovington-Upper Pennsylvanian Pool, or in the alternative for approval of a non-standard oil spacing and proration unit and an unorthodox oil well location in the Northeast Lovington-Upper Pennsylvanian Pool, Lea County, New Mexico.**
Applicant seeks an order expanding the horizontal limits of the Lovington-Upper Pennsylvanian Pool, which is developed on statewide spacing rules, to include the NW/4 of Section 25, Township 16 South, Range 36 East, N.M.P.M., and the formation of a standard 40-acre oil spacing and proration unit comprised of the SW/4 NW/4 of Section 25, to be dedicated to the South Lovington 25 Well No.