

8. **CASE 14234:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Chesapeake Energy Corporation for approval of a 160-acre non-standard spacing and proration unit and for compulsory pooling, Chaves County, New Mexico. Applicant seeks the formation of a 160-acre non-standard spacing and proration unit consisting of the S/2N/2 of Section 23, T15S, R31E, Chaves County, N. M. to be dedicated to its Medusa 23 State Com Well No. 2H (API# pending) which will be located at a standard surface location 1980 feet FNL and 330 feet FWL (Unit E) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location then drilled horizontally in an easterly direction staying within a producing area 330 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 1980 feet FNL and 330 feet FEL (Unit H). In addition, applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the above-described acreage. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 30 miles east of Hagerman, New Mexico.
9. **CASE 14264:** (Continued from the January 8, 2009 Examiner Hearing.)
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit, compulsory pooling, and an unorthodox oil well location, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4 and the SW/4 NW/4 of Section 6, Township 15 South, Range 38 East, NMPM, to form a non-standard 80.04-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 Harvard 6 Fee Well No. 2, a horizontal well drilled at a surface location 430 feet from the North line and 430 feet from the West line, with a terminus at an unorthodox location 2595 feet from the North line and 441 feet from the West line, of Section 6. Applicant also requests approval of the unorthodox location in the Wolfcamp formation. 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.
10. **CASE 14192:** (Continued from the December 4, 2008 Examiner Hearing.)
Application of Targa Midstream Services Limited Partnership for Approval of an Acid-Gas Injection Well, Lea County, New Mexico. Applicant seeks an order approving the use of the Eunice Plant 161 SWD Well No. 1 for conversion to acid-gas injection operations. The well is currently in use for salt water disposal at the following location:

Eunice Plant 161 SWD Well No. 1
API No. 30-025-22583
2255' FNL and 908' FEL
Section 3: SE/4 NE/4 (Unit H)
T-22-S, R-37-E, NMPM

Applicant proposes to evaluate this well for injection of acid gas and water through a closed system into the lower San Andres formation, Eunice-San Andres Pool, through an open-hole completion at depths of 4,131' to 4,900'.

As an alternative to the conversion of the Eunice Plant 161 SWD Well No. 1, Applicant proposes to drill a new well for acid-gas injection operations at the following location in Section 3:

Eunice Middle-Plant AGI Well No. 1
1557' FNL and 1345' FEL
Section 3: SW/4 NE/4 (Unit G)
T-22-S, R-37-E, NMPM

For the Eunice Middle-Plant AGI Well No. 1, Applicant proposes to inject acid gas and water through a closed

system into the lower San Andres formation via an open-hole completion at a depth interval of 4,500' to 5,000'. Injection operations through either well will be conducted at an anticipated maximum surface injection pressure of 2,000 psi or as permitted by the Division. Applicant proposes injection of acid-gas at average daily rates of approximately 2,200 bbls and at maximum daily rates of approximately 2,500 bbls. Additional injection of produced water and non-hazardous wastewater will range from 250 to 1,575 barrels per day, for a total injection volume of 2,450 to 4,075 barrels per day. The subject lands are located approximately one-half mile south of Eunice, New Mexico.