

17. **CASE 14365:** *Application of COG Operating LLC for designation of a non-standard spacing unit and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 1-H).* Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the S/2 S/2 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 1-H to be drilled horizontally from a surface location 430 feet from the South line and 430 feet from the West line to a bottomhole location 330 feet from the South line and 330 feet from the East line to a depth sufficient to test the Abo/Wolfcamp 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles northwest of Loco Hills, New Mexico.

18. **CASE 14366:** *Application of COG Operating LLC for designation of a non-standard spacing unit, unorthodox well location, and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 2-H).* Applicant seeks an order consolidating the 40-acre spacing units within the NE/4 SW/4 and N/2 SE/4 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit for an unorthodox well location in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the NE/4 SW/4 and N/2 SE/4 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 2-H to be drilled horizontally from an unorthodox surface location 1880 feet from the South line and 1590 feet from the West line to a bottomhole location 1650 feet from the South line and 330 feet from the East line to a depth sufficient to test the Abo/Wolfcamp 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles northwest of Loco Hills, New Mexico.

19. **CASE 14323: Readvertised**
Application of Chesapeake Energy Corporation for cancellation of a permit to drill ("APDs") issued to COG Operating LLC, Eddy County, New Mexico. Applicant seeks an order cancelling the Division's approval of the following application for permit to drill ("APD") issued to COG Operating LLC ("COG"), API 30-015-36541 for the Blackhawk "11" Federal Com #1H Well, a horizontal wellbore with a surface location in Unit M and a subsurface location in Unit P of Section 11, Township 16 South, Range 28 East, Eddy County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2 S/2 of this section. This unit is located approximately 15 miles northeast of Artesia, New Mexico.

20. **CASE 14353:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Chi Energy, Inc. for approval of a secondary recovery project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico. Applicant seeks approval to institute a waterflood project in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) by the injection of water into nine wells located on federal lands covering parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.

21. **CASE 14354:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Chi Energy, Inc. for statutory unitization, Eddy County, New Mexico. Applicant seeks an order unitizing all mineral interests in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) underlying parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M., comprising 640.00 acres of federal lands for its proposed Benson Delaware Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the designation of Chi Operating, Inc. as unit operator; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the 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. The unit area is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.

22. **CASE 14173:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Kaiser-Francis Oil Company for an exception to Division Rule 104.C(2), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C(2) to drill and produce its Bell Lake Unit Well No. 33 as an infill well in an existing 318.38 acre gas spacing unit in the South Bell Lake-Morrow Gas Pool comprising Lots 6, 7, E½SW¼, and SE¼ (the S½ equivalent) of Section 6, Township 24 South, Range 34 East, N.M.P.M., at an orthodox gas well location in