

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13006:** Continued from April 10, 2003, Examiner Hearing.

**Application of Chesapeake Operating, Inc. 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 W/2 of Section 33, Township 14 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Morton-Mississippian Gas Pool. **In addition, Applicant requested that in the absence of objection filed with the Division on or before February 14, the Division order provide for a 200% risk factor penalty based upon the presentation of technical data by affidavit.** This unit is to be dedicated to its Markham "33" Well No. 1 which has been drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 3 miles northwest of Loving, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 13058:** Application of J. Cleo Thompson & James Cleo Thompson, Jr. L.P. for approval of a unit agreement, Roosevelt County, New Mexico. Applicant seeks approval of the Northwest Jenkins State Unit Area comprising 320 acres of state lands in Section 32, Township 8 South, Range 34 East. The proposed unit area is located approximately 9½ miles northwest of Crossroads, New Mexico.

**CASE 13059:** Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 32, Township 18 South, Range 31 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shugart-Atoka Gas Pool and Undesignated Shugart-Morrow Gas Pool. The unit is to be dedicated to applicant's Porter House State Com. Well No. 1, to be located at an orthodox gas well location in the NE/4 NE/4 of Section 32. 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 Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles southeast of Loco Hills, New Mexico.

**CASE 13060:** Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the following described acreage in Section 15, Township 21 South, Range 27 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the East Avalon-Bone Spring Gas Pool; and the NW/4 NE/4 to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East