

Applicant proposes to conduct waterflood operations by injection of water into the Strawn formation through the following two injection wells:

Chambers 7 Well No. 1  
1700 feet FNL & 900 feet FEL  
Unit H, Section 7, Township 16 South, Range 36 East, NMPM  
Lea County, New Mexico  
API No. 30-025-33623

Runnels 8 Well No. 1  
780 feet FSL & 1510 feet FWL  
Unit N, Section 8, Township 16 South, Range 36 East, NMPM  
Lea County, New Mexico  
API No. 30-025-34264

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate 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 area is located approximately 1 mile West of Lovington, New Mexico.

8.

**CASE 14459** (Continued from the May 13, 2010 Examiner Hearing.)

*Amended and Readvertised Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 15, Township 25 South, Range 26 East, NMPM, and in the following manner: The S/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; the SE/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 SE/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. The units are to be dedicated to the Seldom Seen 15 Fed. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the SE/4 SE/4, with a terminus at an orthodox location in the SW/4 SW/4, of Section 15. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 7 miles Southeast of Whites City, New Mexico.