Examiner Hearing –May 13, 2010 Docket No. 17-10 Page 2 of 6

- 3. CASE 14438: (Continued from the April 29, 2010 Examiner Hearing.)
 - Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Angell Ranch-Bone Spring Pool, comprising the NW/4 of Section 25, Township 19 South, Range 27 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including (i) spacing of 80 acres, (ii) wells to be located no closer than 330 feet to a quarter-quarter section line, and (iii) a gas:oil ratio of 10,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Guardian 25 State Com. Well No. 1 (API No. 30-015-36577), which was drilled at a location 1980 feet from the north line and 1980 feet from the west line of Section 25. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 7-1/2 miles East of Lakewood, New Mexico.
- CASE14459: 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 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.
- 5. <u>CASE 14462</u>: (Continued from the April 15, 2010 Examiner Hearing.)
 Application of Yates Petroleum Corporation to rescind Administrative Order No. SWD-247, Eddy County, New Mexico. Applicant, in the above-styled cause seeks an order rescinding SWD-247 that authorizes the injection of produced water for disposal in the Bone Spring formation in the Dorstate Well No. 1 (API No. 30-015-23728) located in Unit H, 1980 feet from the North line and 660 feet from the East line of Section 27, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico. Said well is located approximately 8 miles South of Malaga, New Mexico.
- 6. CASE 14471: Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 3, Township 29 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, for all formations and/or pools developed on 320-acre spacing within this vertical extent including but not limited to the Basin Fruitland Coal Gas Pool and for all formation and/or pools developed on 160-acre spacing within this vertical extent including but not limited to the Fulcher Kutz-Pictured Cliffs Gas Pool. This unit is to be dedicated to the Ruby Well No. 2, to be dual-completed at a location in the SE/4 of said Section 3 to test the Fruitland Coal formation and the Pictured Cliffs 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 applicant as operator of the well and the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located within the city limits of Farmington and Southwest of the Worley baseball complex, New Mexico.