Examiner Hearing –September 2, 2010 Docket No. 29-10 Page 2 of 11

- 2. <u>CASE 14499</u>: (Continued from the August 27, 2010 Examiner Hearing.)(This case will be continued to the September 16, 2010 Examiner Hearing.)
 - Application of Cimarex Energy Company of Colorado for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the W/2 W/2 of Section 11, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Bone Spring formation (Turkey Track-Bone Spring Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the W/2 W/2 of said Section 11 to be dedicated to its Parkway "11" State Com No. 1-H well to be drilled horizontally from a surface location 990' from the North line and 660' from the West line to a bottom hole location 330' from the South line and 660' from the West line to a depth sufficient to test the Bone Spring 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 Cimarex Energy Company of Colorado as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 10 miles Southeast of Loco Hills, New Mexico.
- 3. <u>CASE 14529</u>: Application of Apache Corporation for approval of a Unit Agreement, Lea County, New Mexico.

 Applicant seeks approval of the Equis State Exploratory Unit for all formations from the surface to the base of the recambrian formation in an area comprising 2,480.00 acres, more or less, of State of New Mexico lands in Sections 8, 9, 16 and 17 of Township 14 South, Range 35 East, NMPM which is located approximately 11 miles Northwest of Lovington, New Mexico.
- 4. CASE 14530: Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing unit comprised of the W/2 SW/4 of Section 24 and the W/2 NW/4 of Section 25, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico which will be a 160-acre Project Area for its Wyatt Draw "24/25" LE Well No. 1H to be drilled from a surface location 2310 feet from the South line and 560 feet from the West line (Unit L) of Section 24 and then in a southerly direction in the Bone Spring formation to a terminus 2310 feet from the North line and 560 feet from the West line (Unit E) of said Section 25, and (2) pooling all mineral interests in the Undesignated Yeso formation, in this non-standard spacing and proration unit / project area. 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 Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.5 miles Northwest of Lakewood, New Mexico.
- 5. CASE 14531: Application of OGX Resources LLC for approval of a unit agreement, Lea County, New Mexico.
 Applicant seeks approval of the Unit Agreement for the NLA State Unit Area, comprising 1748.89 acres of state lands covering all or part of Sections 6, 7, and 18, Township 9 South, Range 33 East, NMPM. The proposed unit area is centered approximately 12-1/2 miles North-Northeast of Caprock, New Mexico.
- 6. CASE 14532: Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2 W/2 of Section 35, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Delaware formation underlying the SW/4 SW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Delaware formation underlying the W/2 W/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Willow Lake 35 Com. Well No. 2, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 35. 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 3 miles South-Southeast of Malaga, New Mexico.
- 7. <u>CASE 14533</u>: Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 28, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Bradley 28 Fed. Com. Well No. 2, a horizontal well with a surface location 1580 feet from the north line and 65 feet from the west line, and a terminus 1580 feet from the north line and 330 feet from the east line, of Section 28. Applicant further seeks approval of the unorthodox location for the well. Also to be considered will be the cost of drilling and completing the