

Blanco-Mesaverde Gas Pool. Order R-10987-A(1), effective December 2, 2002, and for the Basin-Dakota Gas Pool. Order R-10981-B(1), effective January 29, 2002. This unit is to be dedicated to its (i) State Com SRC Well No. 1B (API # 30-045-35038) to be drilled and completed at a standard surface well in Unit A with a bottom hole location in Unit B and downhole commingled wellbore for production from Dakota and Mesaverde formations and (ii) its State Com SRC Well No. 1C (API # 30-045-35061) to be drilled and completed at a standard well location as a downhole commingled wellbore for production from Dakota and Mesaverde formations in Unit F of this section. Also to be considered will be the costs of drilling and completing said wells 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 wells and, pursuant to Commission Order R-11992, a charge 200% charge for the risk involved in these wells. This unit is located approximately 6 miles East of the Turley, New Mexico.

3. **CASE 14522:** (Continued from the August 5, 2010 Examiner Hearing.)
Application of Approach Operating, LLC for designation of a non-standard spacing unit, Rio Arriba County, New Mexico. Applicant seeks an order approving the formation of a non-standard oil well spacing and proration unit comprised of 31.7 + acres located in the NW/4 SW/4 of projected Section 21, T28N, R4E in Rio Arriba County, New Mexico. The proposed non-standard unit will be dedicated to the following well to be drilled to the Mancos Shale formation, WC Tierra Amarilla Mancos Oil Pool (97767): Avella Sultemeier No. 2, API No. 30-39-30857, 1662' FSL and 6' FWL (L), Projected Section 21, T28N, R4E, Rio Arriba County, New Mexico. The well and lands are located approximately four miles South of Tierra Amarilla, New Mexico.
4. **Case 14527:** **Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 160-acre non-standard spacing unit comprised of the S/2 N/2 of Section 17, Township 19 South, Range 33 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Tonto Bone Spring Pool (Pool Code 59475), in this non-standard spacing and proration unit which spacing unit will be the project area for its Spyglass "17" Federal Well No. 1H to be drilled from a surface location 2135 feet from the North line and 330 feet from the West line (Unit E) and then in an easterly direction in the Bone Spring formation to a terminus 2135 feet from the North line and 330 feet from the East line (Unit H) of said Section 17. 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 19 miles Southeast of Maljamar, New Mexico.
5. **CASE 14504:** (Continued from the August 5, 2010 Examiner Hearing.)
Application of Celero Energy II, LP to amend the Unit Agreement and the Unit Operating Agreement for the Rock Queen Unit, and for statutory unitization, Chaves and Lea Counties, New Mexico. Applicant seeks an order amending the Unit Agreement and Unit Operating Agreement, and statutorily unitizing all mineral interests in, the Queen formation in the previously approved Rock Queen Unit underlying 4939.77 acres of federal, state, and fee lands covering all or parts of Sections 22-27 and 34-36 of Township 13 South, Range 31 East, N.M.P.M., and Sections 19, 30, and 31 of Township 13 South, Range 32 East, N.M.P.M. 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 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 working interest 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 17 miles South-Southwest of Caprock, New Mexico.
6. **CASE 14505:** (Continued from the August 5, 2010 Examiner Hearing.)
Application of Celero Energy II, LP to expand the waterflood project and institute a tertiary recovery project for the Rock Queen Unit, and to qualify the project for the recovered oil tax rate, Chaves and Lea Counties, New Mexico. Applicant seeks approval to expand the waterflood project, and for a tertiary recovery project, in the Rock Queen Unit by the injection of water and carbon dioxide into the Queen formation in approximately 42 wells located on 4939.77 acres of federal, state, and fee lands covering all or parts of Sections 22-27 and 34-36 of Township 13 South, Range 31 East, N.M.P.M., and Sections 19, 30, and 31 of Township 13 South, Range 32 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 unit area is centered approximately 17 miles South-Southwest of Caprock, New Mexico.
7. **Case 14528:** (This case will be continued and readvertised for the September 2, 2010 Examiner Hearing.)
Application of Devon Energy Production Company, L.P. for a non-standard gas spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Chaves County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 320-acre non-standard gas spacing and proration unit (project area) in the

Mississippian formation comprised of the S/2 NE/4 and N/2 SE/4 of Section 7 and the S/2 NW/4 and N/2 SW/4 of Section 8, Township 10 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Siluro-Devonian formation underlying the SW/4NE/4 of Section 7 to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, and (ii) in the Mississippian formation underlying the non-standard 320 acre unit (project area). The units are to be dedicated to the Loving 7 Fee Well No. 1, to be drilled vertically at an unorthodox surface location 2500 feet from the north line and 1400 feet from the east line of Section 7 to test the Siluro-Devonian formation, and then drilled horizontally in the Mississippian formation with an entry point in the Mississippian formation approximately 2500 feet from the north line and 1100 feet from the east line of Section 7 and a terminus 2500 feet from the north line and 1980 feet from the west line of Section 8. 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 units are located approximately 18 miles West-Northwest of Caprock, New Mexico.

8. **CASE 14509:** (Continued from the July 22, 2010 Examiner Hearing.)

(This case will be continued to the September 2, 2010 Examiner Hearing.)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. 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 S/2 of Section 15, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Bone Spring formation underlying the SE/4 SE/4 of Section 15 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the S/2 S/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area). The units are to be dedicated to the East Lusk 15 Fed. Well No. 1, a horizontal well with a surface location in the SE/4 SE/4, and a terminus 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 unit is located approximately 32 miles West-Northwest of Monument, New Mexico.

9. **CASE 14510:** (Continued from the July 22, 2010 Examiner Hearing.)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 S/2 of Section 15, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Bone Spring formation underlying the NE/4 SE/4 of Section 15 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the N/2 S/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area). The units are to be dedicated to the East Lusk 15 Fed. Well No. 2, a horizontal well with a surface location in the NE/4 SE/4, and a terminus in the NW/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 unit is located approximately 32 miles West-Northwest of Monument, New Mexico.

10. **CASE 14489: (Reopened)** (Continued from the July 22, 2010 Examiner Hearing.)

Application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 24, Township 19 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 24 to form a non-standard 160 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the East Lusk 24 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 375 feet from the North line and 660 feet from the West line, with a terminus 330 feet from the South line and 660 feet from the West line, of Section 24. 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 28-1/2 miles West-Northwest of Monument, New Mexico.