

comprising 37,339.04 acres, more or less, of state, federal and fee oil and gas leases underlying portions or all of the following sections: Sections 35, 36, Township 3 South, Range 8 East; Sections 31, 32, 33, Township 3 South, Range 9 East; Sections 1, 2, 3, 10-15, 23-25, and 36, Township 4 South, Range 8 East; Sections 2-36, Township 4 South, Range 9 East; Section 1, Township 5 South, Range 8 East; Sections 2-11, Township 5 South, Range 9 East. This proposed unit is located approximately 18 miles northeast of Bingham, New Mexico

CASE 12767: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill and produce its proposed Buchanan "32" Well No. 1 at an unorthodox oil well location 2520 feet from the South line and 1909 feet from the West line (Unit K) of Section 32, Township 16 South, Range 37 East, for production from the Strawn formation from the Northeast Lovington-Pennsylvanian Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the N/2 SW/4 of this section. This location is located approximately 5 ½ miles southeast of Lovington, New Mexico.

CASE 12768: **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 Strawn formation underlying the following described acreage in Section 9, Township 16 South, Range 37 East: the E/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent, including the Northeast Lovington-Pennsylvanian Pool; and the NE/4 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent. This unit is to be dedicated to its Buddy "9" Well No. 1 which will be located at a standard well location within Unit K of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this 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 4 miles east of the center of the City of Lovington, New Mexico.

CASE 12769: **Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the surface to the base of the Tubb formation underlying the following described acreage in Section 4, Township 20 South, Range 37 East: the N/2 NE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within this vertical extent, including but not limited to the Monument Tubb Pool; and the NW/4 NE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent, including but not limited to the East Monument-Paddock Pool and the Monument-Blinbry Pool. This unit is to be dedicated to its proposed Cooper "4" Well No. 2 to be drilled and completed at a standard well location in Unit B of this Section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 1-1/2 miles south-southeast of Monument, New Mexico.

CASE 12770: **Application of the New Mexico Oil Conservation Division for an Order Requiring Sierra Blanca Operating Company to Properly Plug Ninety (90) Wells, Authorizing the Division to Plug Said Wells in Default of**

Examiner Hearing – November 15, 2001

Docket No. 37-01

Page 4 of 15

Compliance by Sierra Blanca Operating Company or Its Sureties, and Ordering a Forfeiture of Applicable Plugging Bonds and Cash Collateral; Lea County, New Mexico. The Applicant seeks an order requiring Sierra Blanca Operating Company, the operator of ninety (90) inactive wells in Lea County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its sureties fails to do so, forfeiting Operator's plugging bonds and cash collateral, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API WELL #	Well Name	Well #	UL	Sec	Twp	N/S	Rng	W/E
30-025-00238-00-00	NORTH CAPROCK QUEEN UNIT	001	A	7	13S		32E	
30-025-00234-00-00	NORTH CAPROCK QUEEN UNIT	002	2	6	13S		32E	
30-025-24595-00-00	NORTH CAPROCK QUEEN UNIT	002Y	B	7	13S		32E	
30-025-00213-00-00	NORTH CAPROCK QUEEN UNIT	003	3	5	13S		32E	
30-025-00223-00-00	NORTH CAPROCK QUEEN UNIT	003	3	6	13S		32E	
30-025-00253-00-00	NORTH CAPROCK QUEEN UNIT	003	C	7	13S		32E	
30-025-00264-00-00	NORTH CAPROCK QUEEN UNIT	004	D	8	13S		32E	
30-025-24596-00-00	NORTH CAPROCK QUEEN UNIT	004Y	D	8	13S		32E	
30-025-00214-00-00	NORTH CAPROCK QUEEN UNIT	005	E	5	13S		32E	
30-025-00257-00-00	NORTH CAPROCK QUEEN UNIT	005	E	8	13S		32E	
30-025-00208-00-00	NORTH CAPROCK QUEEN UNIT	006	F	32	12S		32E	
30-025-00239-00-00	NORTH CAPROCK QUEEN UNIT	006	F	7	13S		32E	
30-025-00259-00-00	NORTH CAPROCK QUEEN UNIT	006	F	8	13S		32E	
30-025-00222-00-00	NORTH CAPROCK QUEEN UNIT	006F	F	6	13S		32E	
30-025-00205-00-00	NORTH CAPROCK QUEEN UNIT	007	G	32	12S		32E	
30-025-00233-00-00	NORTH CAPROCK QUEEN UNIT	007	G	6	13S		32E	
30-025-00236-00-00	NORTH CAPROCK QUEEN UNIT	007	G	7	13S		32E	
30-025-00245-00-00	NORTH CAPROCK QUEEN UNIT	008	H	7	13S		32E	
30-025-00235-00-00	NORTH CAPROCK QUEEN UNIT	009	I	6	13S		32E	
30-025-00254-00-00	NORTH CAPROCK QUEEN UNIT	009	I	7	13S		32E	
30-025-00202-00-00	NORTH CAPROCK QUEEN UNIT	010	J	32	12S		32E	
30-025-24597-00-00	NORTH CAPROCK QUEEN UNIT	010Y	J	7	13S		32E	