

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**

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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	

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30-025-00230-00-00	NORTH CAPROCK QUEEN UNIT	011	K	6	13S	32E
30-025-00263-00-00	NORTH CAPROCK QUEEN UNIT	011	K	8	13S	32E
30-025-00244-00-00	NORTH CAPROCK QUEEN UNIT	011	K	7	13S	32E
30-025-00209-00-00	NORTH CAPROCK QUEEN UNIT	012	L	32	12S	32E
30-025-00216-00-00	NORTH CAPROCK QUEEN UNIT	012	L	5	13S	32E
30-025-00229-00-00	NORTH CAPROCK QUEEN UNIT	012	6	6	13S	32E
30-025-00260-00-00	NORTH CAPROCK QUEEN UNIT	012	L	8	13S	32E
30-025-00200-00-00	NORTH CAPROCK QUEEN UNIT	013	M	32	12S	32E
30-025-00261-00-00	NORTH CAPROCK QUEEN UNIT	013	M	8	13S	32E
30-025-00206-00-00	NORTH CAPROCK QUEEN UNIT	014	N	32	12S	32E
30-025-00232-00-00	NORTH CAPROCK QUEEN UNIT	014	N	6	13S	32E
30-025-00262-00-00	NORTH CAPROCK QUEEN UNIT	014	N	8	13S	32E
30-025-00227-00-00	NORTH CAPROCK QUEEN UNIT	015	O	6	13S	32E
30-025-00179-00-00	NORTH CAPROCK QUEEN UNIT	016	P	30	12S	32E
30-025-00131-00-00	NORTHEAST CAPROCK QUEEN UNIT	001	L	16	12S	32E
30-025-00133-00-00	NORTHEAST CAPROCK QUEEN UNIT	002	K	16	12S	32E
30-025-00135-00-00	NORTHEAST CAPROCK QUEEN UNIT	003	J	16	12S	32E
30-025-00129-00-00	NORTHEAST CAPROCK QUEEN UNIT	004	I	16	12S	32E
30-025-00124-00-00	NORTHEAST CAPROCK QUEEN UNIT	005	L	15	12S	32E
30-025-00138-00-00	NORTHEAST CAPROCK QUEEN UNIT	006	P	17	12S	32E
30-025-00132-00-00	NORTHEAST CAPROCK QUEEN UNIT	007	M	16	12S	32E
30-025-00134-00-00	NORTHEAST CAPROCK QUEEN UNIT	008	N	16	12S	32E
30-025-00136-00-00	NORTHEAST CAPROCK QUEEN UNIT	009	O	16	12S	32E
30-025-00137-00-00	NORTHEAST CAPROCK QUEEN UNIT	010	P	16	12S	32E
30-025-00125-00-00	NORTHEAST CAPROCK QUEEN UNIT	011	O	15	12S	32E
30-025-00126-00-00	NORTHEAST CAPROCK QUEEN UNIT	012	P	15	12S	32E

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30-025-00120-00-00	NORTHEAST CAPROCK QUEEN UNIT	013	M	14	12 S	32 E
30-025-00121-00-00	NORTHEAST CAPROCK QUEEN UNIT	014	N	14	12 S	32 E
30-025-00148-00-00	NORTHEAST CAPROCK QUEEN UNIT	015	B	20	12 S	32 E
30-025-00147-00-00	NORTHEAST CAPROCK QUEEN UNIT	016	A	20	12 S	32 E
30-025-00151-00-00	NORTHEAST CAPROCK QUEEN UNIT	017	D	21	12 S	32 E
30-025-00153-00-00	NORTHEAST CAPROCK QUEEN UNIT	018	C	21	12 S	32 E
30-025-00155-00-00	NORTHEAST CAPROCK QUEEN UNIT	019	B	21	12 S	32 E
30-025-00156-00-00	NORTHEAST CAPROCK QUEEN UNIT	020	A	21	12 S	32 E
30-025-00161-00-00	NORTHEAST CAPROCK QUEEN UNIT	021	D	22	12 S	32 E
30-025-00162-00-00	NORTHEAST CAPROCK QUEEN UNIT	022	C	22	12 S	32 E
30-025-00160-00-00	NORTHEAST CAPROCK QUEEN UNIT	023	B	22	12 S	32 E
30-025-00167-00-00	NORTHEAST CAPROCK QUEEN UNIT	025	D	23	12 S	32 E
30-025-00168-00-00	NORTHEAST CAPROCK QUEEN UNIT	026	C	23	12 S	32 E
30-025-00145-00-00	NORTHEAST CAPROCK QUEEN UNIT	027	G	20	12 S	32 E
30-025-00149-00-00	NORTHEAST CAPROCK QUEEN UNIT	028	H	20	12 S	32 E
30-025-00152-00-00	NORTHEAST CAPROCK QUEEN UNIT	029	E	21	12 S	32 E
30-025-00154-00-00	NORTHEAST CAPROCK QUEEN UNIT	030	F	21	12 S	32 E
30-025-00163-00-00	NORTHEAST CAPROCK QUEEN UNIT	031	H	22	12 S	32 E
30-025-00165-00-00	NORTHEAST CAPROCK QUEEN UNIT	032	E	23	12 S	32 E
30-025-00169-00-00	NORTHEAST CAPROCK QUEEN UNIT	033	F	23	12 S	32 E
30-025-00150-00-00	NORTHEAST CAPROCK QUEEN UNIT	034	L	21	12 S	32 E
30-025-28581-00-00	NORTHEAST CAPROCK QUEEN UNIT	035Y	N	16	12 S	32 E
30-025-08073-00-00	YOUNG UNIT	002	D	16	18 S	32 E
30-025-08078-00-00	YOUNG UNIT	003	A	17	18 S	32 E
30-025-08084-00-00	YOUNG UNIT	005	G	17	18 S	32 E
30-025-08077-00-00	YOUNG UNIT	006	H	17	18 S	32 E

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30-025-08072-00-00	YOUNG UNIT	007	E	16	18S	32E
30-025-08083-00-00	YOUNG UNIT	009	I	17	18S	32E
30-025-08081-00-00	YOUNG UNIT	010	K	17	18S	32E
30-025-08079-00-00	YOUNG UNIT	011	N	17	18S	32E
30-025-08096-00-00	YOUNG UNIT	012	D	20	18S	32E
30-025-08092-00-00	YOUNG UNIT	013	C	20	18S	32E
30-025-00862-00-00	YOUNG UNIT	014	B	20	18S	32E
30-025-08097-00-00	YOUNG UNIT	015	C	20	18S	32E
30-025-08093-00-00	YOUNG UNIT	016	E	20	18S	32E
30-025-00860-00-00	YOUNG UNIT	018	G	20	18S	32E
30-025-08094-00-00	YOUNG UNIT	019	H	20	18S	32E
30-025-08101-00-00	YOUNG UNIT	021	J	20	18S	32E
30-025-08099-00-00	YOUNG UNIT	022	K	20	18S	32E
30-025-08100-00-00	YOUNG UNIT	024	N	20	18S	32E
30-025-08091-00-00	YOUNG UNIT	025	O	20	18S	32E
30-025-00875-00-00	YOUNG UNIT	030	C	29	18S	32E

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NO.</u>	<u>API #</u>	<u>ULSTR</u>	<u>CO.</u>
C. C. POLLARD	STATE B #001	30-025-04829	L-29-21S-36E	Lea
PRAIRIE SUN, INC.	GULF MCKAY FEDERAL #001	30-025-25471	N-34-18S-32E	Lea
PRAIRIE SUN, INC.	MORGAN FEDERAL #001	30-005-20667	3-06-10S-30E	Lea
PRIMAL ENERGY CORPORATION	HALE STATE #003	30-025-12581	H-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	M E HALE #001	30-025-11397	G-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #002	30-025-11375	K-36-24S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #005	30-025-11378	N-36-24S-37E	Lea
PROFESSIONAL OIL SERVICES INC.	KEOHANE #003	30-025-22935	K-06-20S-38E	Lea
PRO-GAS OPERATING INC	STATE A #001	30-025-03542	J-36-21S-35E	Lea

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PRO-GAS OPERATING INC	STATE A #002	30-025-03540	O-36-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	FOWLER B #001	30-025-28197	K-06-19S-38E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #003	30-025-11182	B-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #004	30-025-11183	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #005	30-025-21401	K-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	JENNINGS FEDERAL #004	30-025-25149	K-14-24S-32E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #001	30-025-08358	4-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #005	30-025-25000	F-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #003	30-025-03523	E-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #004	30-025-03524	F-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #005	30-025-32362	D-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO DL STATE #006	30-025-28659	P-18-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #001	30-025-03734	13-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #002	30-025-03735	12-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #003	30-025-03736	14-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #004	30-025-03737	11-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	GILA 4 DEEP #001	30-025-30872	G-04-25S-33E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #006	30-025-21478	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #007	30-025-21479	C-21-24S-37E	Lea
SABA ENERGY OF TEXAS INC	SAN SIMON 5 STATE #002	30-025-28480	G-05-22S-35E	Lea
SABA ENERGY OF TEXAS INC	FERN GUYE #001	30-025-34488	M-05-13S-36E	Lea
SF ENERGY OPERATING PARTNERS	WHITE SWAN 9 FEDERAL #003	30-025-32301	J-09-22S-32E	Lea
SMITH & MARRS INC	AMERICAN EAGLE #001	30-025-27163	M-22-26S-36E	Lea
SMITH & MARRS INC	CHRISITE #001	30-025-22991	A-19-11S-33E	Lea
SMITH & MARRS INC	LEA KN STATE #002	30-025-21070	B-17-17S-37E	Lea
SMITH & MARRS INC	SHULTS #002	30-025-05020	P-13-12S-37E	Lea
SMITH & MARRS INC	STATE HTA #001	30-025-21329	B-36-12S-33E	Lea
SMITH & MARRS INC	AZTEC STATE COM #003	30-025-27575	4-18-16S-37E	Lea
SMITH & MARRS INC	CORTLAND MYERS UNIT #006	30-025-11200	J-22-24S-37E	Lea
SMITH & MARRS INC	JAMISON #005	30-025-21152	H-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #006	30-025-20355	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #007	30-025-20354	I-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #008	30-025-20353	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #009	30-025-20352	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #010	30-025-20351	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #011	30-025-20350	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #012	30-025-21154	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #013	30-025-20613	P-21-24S-37E	Lea
SMITH & MARRS INC	MR WILLS FEDERAL #001	30-025-28499	D-34-26S-37E	Lea
SMITH & MARRS INC	NEW MEXICO CV STATE #002	30-025-26048	P-28-26S-36E	Lea