

CASE NO. 13706: *Application of Yates Petroleum Corporation for approval of a pilot project including an exception from Rule 4, of the Special Rules and Regulations for the Pecos Slope-Pennsylvanian Pool for Purposes of Establishing a Program to Determine Proper Well Density and Well Location Requirements in Pennsylvanian Wells, Chaves County, New Mexico.* Applicant seeks an order authorizing a pilot infill drilling program in the Pecos Slope Pennsylvanian Pool and an exception to Special Rules and Regulations for said pool to allow four wells to be drilled an a spacing unit with two wells in the same quarter section. Yates specifically seeks authorization to drill the George QJ Federal Well No. 12, to be located 990 feet from the South line and 660 feet from the West line of Section 26, Township 6 South, Range 25 East, NMPM, and the George QJ Fed Com Well No. 13, to be located 990 feet from the North line and 660 feet from the West line, Section 35, Township 6 South, Range 25 East, NMPM, Chaves County, New Mexico. Said wells are located approximately 21 miles northeast of Roswell, New Mexico.

CASE NO. 13707: *Application of Yates Petroleum Corporation to rescind or amend Administrative Order SWD-1021, Lea County, New Mexico.* Applicant seeks an order rescinding or amending Administrative Order SWD-1021 issued on January 25, 2006, which authorizes Manzano, LLC to utilize its Peter Grande State Well No. 1 (API No. 30-025-36993) located 330 feet from the South line and 400 feet from the West line of Section 1, Township 10 South, Range 32 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the San Andres formation through perforations from 4,350 feet to 4,470 feet and through plastic line tubing set in a packer located within 100 feet of the top of the injection interval. Yates seeks an order from the Division to protect its Mescalero State Well No. 1 (API No. 30-025-33969) located in Section 2, Township 10 South, Range 32 East, NMPM, Lea County, New Mexico. Said wells are located approximately 20 miles west of Tatum, New Mexico.

CASE NO. 13708: *Application of Yates Drilling Company for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 24, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Red Lake-Atoka-Morrow Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Wisetail State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 990 feet from the East line (Unit A) of said Section 24. 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 Yates Drilling Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles southeast of Artesia, New Mexico.

Case No. 13692: *Continued from April 13, 2006 Examiner Hearing*

Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from surface to the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 14, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated South Carlsbad-Morrow Gas Pool, Undesignated South Carlsbad-Atoka Gas Pool, South Carlsbad-Wolfcamp Pool, Undesignated South Carlsbad-Strawn Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated South Carlsbad Delaware Pool. Said units are to be dedicated to its Whiskey Girl Fee Well No. 1 (API No. 30-015-34631) to be drilled as a deviated well from an unorthodox surface location 464 feet from the South line and 1119 feet from the East line to a bottomhole location 660 feet from the South line and 990 feet from the East line (Unit P) of said Section 14, to an approximate depth of 11,800 feet to test any and all formations from surface to the base of the Morrow 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 Marbob Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles north of the Carlsbad Airport.

Case No. 13695: *Continued from April 13, 2006 Examiner Hearing*

Application of Chaparral Energy, LLC for approval of a salt-water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its State K Well No. 1-21 (API No. 30-025-22049) located 1980 feet from the South and West lines (Unit K) of Section 21, Township 11 South, Range 33 East, to dispose of produced water into the San Andres formation from depths of 3,850 feet to 4,469 feet.