

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 29, 2007

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 11-07 and 12-07 are tentatively set for April 12, 2007 and April 26, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE NO. 13886: *Continued from March 15, 2007 Examiner Hearing. Application of the New Mexico Oil Conservation Division for a Compliance Order against Reubin Collins d/b/a RCJ Enterprises, LLC.* The Applicant seeks an Order finding that operator is in violation of 19.15.4.201 NMAC as to 11 wells, requiring operator to bring the 11 wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the Division to plug said wells in the event of non-compliance. The affected wells are:

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
- Cockburn Federal #004, K-34-17S-33E, 30-025-01391
- Cockburn Federal #006, J-34-17S-33E, 30-025-01392
- Cockburn Federal #007, I-33-17S-33E, 30-025-01362
- Cockburn Federal #010, J-33-17S-33E, 30-025-21242
- Wallen Bass #002, N-21-20S-34E, 30-025-26458
- Wallen Bass #003, P-21-20S-34E, 30-025-25904
- Wallen Bass #004, N-21-20S-34E, 30-025-26288.

The wells are located in Lea County, New Mexico.

CASE NO. 13891: *Readvertised Application of Petrohawk Energy Corporation for authorization to reactivate a waterflood project, Lea County, New Mexico.* Applicant seeks approval for a waterflood project, including the reactivation of a previously approved waterflood (OCD Orders WFX-518 and WFX-530) in Section 8 and 9, Township 22 South, Range 36 East, NMPM, to inject up to a total of 2000 barrels per day, at a maximum pressure of 750 psi, into the Queen Formation, at an approximate depth of 3790 feet to 3890 feet. This proposed waterflood involves the activation of five existing, temporarily plugged injection wells (State A/A/C 2 # 61, #64, #65, #68, and #71). Petrohawk may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave NW, Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. These wells are located 5 miles southwest of Eunice, New Mexico.

CASE NO. 13893: *Application of Yates Petroleum Corporation for approval of a pilot project in the North Dagger Draw-Upper Pennsylvanian Unit for purposes of establishing proper waterflood injection patterns and for a temporary exemption from the provisions of Division Rule 203 concerning approved temporary abandonment of wells, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order authorizing a pilot program in the S/2 of Section 20 and all of Section 29, Township 19 South, Range 25 East, N.M.P.M., within the North Dagger Draw-Upper Pennsylvanian Unit, for purposes of establishing a program to determine proper injection patterns in the Unit Area, Eddy County, New Mexico. Applicant also seeks an exemption from the Approved Temporary Abandonment provisions of Division Rule 203 during the time pilot project operations are being conducted. Said wells are located approximately 12 miles south southwest of Artesia, New Mexico.

CASE NO. 13853: *Continued from the March 15, 2007 Examiner Hearing.*

Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 34, Township 15 South, Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Starr 34 Fee Well No. 1, a horizontal well which will have an orthodox location within the producing area. 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