

South, Range 36 East, NMPM, to inject up to a total of 2000 barrels per day, at a maximum injection pressure of 750 psi, into the Queen Formation, at an approximate depth of 3790 feet to 3890 feet. The proposed waterflood involves the activation of five existing, temporarily plugged injection wells (State A/AC #61, #64, #65, #68, and #71). Petrohawk may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave., N.W., Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. These wells are located 5 miles southwest of Eunice, New Mexico.

17. **CASE 13928:** (Continued from the July 26, 2007 Examiner Hearing)

**Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in the E/2 of Section 34, Township 11 South, Range 31 East, N.M.P.M., Chaves County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent; the NE/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing within this vertical extent. Said units are to be dedicated to its Tillis BJZ Well No. 1 to be drilled at a location 990 feet from the North line and 660 feet from the East line of Section 34, Township 11 South, Range 31 East, NMPM, Chaves County, New Mexico to an approximate depth of 11350 feet to test any and all formations from the surface to the base of the Mississippian 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 Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 5 miles southwest of Caprock, New Mexico.

18. **CASE 13961:** (Continued from the July 26, 2007 Examiner Hearing)

**Application of Chevron USA, Inc. for amendment of Division Order No. R-4442, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Vacuum Grayburg-San Andres Pressure Maintenance Project Area, approval of amendment of the cooperative water injection agreement between the Central Vacuum Unit and the Vacuum Grayburg-San Andres Unit, Lea County, New Mexico.** Applicant seeks approval to institute a tertiary recovery project in its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Vacuum Grayburg-San Andres Pressure Maintenance Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South, Range 35 East, N.M.P.M. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1850 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 22 miles northwest of Hobbs, New Mexico.

19. **CASE 13945:** (Continued from the July 12, 2007 Examiner Hearing.)

**Application of Occidental Permian LTD. for cancellation of a drilling permit, for determination of the right to drill, and approval of a drilling permit, Lea County, New Mexico.** Applicant seeks an order canceling the drilling permit for the EOG Resources, Inc. Cimarron "17" State Well No. 1 located 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 17, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant also seeks a determination of its right to drill on the S/2 N/2, N/2 SW/4 and NE/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM and approval of its drilling permit for the OPL Desert Bighorn 17 State Well No. 1 to be drilled to the Bone Spring formation at a standard location in the SW/4 NW/4 (Unit E) of said Section 17 T-18-S, R-34-E. The subject lands are located approximately 12 ½ miles southeast of Maljamar, New Mexico.

20. **CASE 13912:** (Continued from the July 12, 2007, Examiner Hearing.)

**Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Cimarron "17" State Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 of Section 17. 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 12-1/2 miles southeast of Maljamar, New Mexico.

21. **CASE 13946:** *(Continued from the July 26, 2007 Examiner Hearing)*  
**Application of Energen Resources Corporation for Compulsory Pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Fruitland Coal formation, (Basin-Fruitland Coal Gas Pool) underlying the W/2 of Section 13, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, forming a standard 320-acre spacing and proration unit to be dedicated to the Navajo Lake Well No. 103. The well will be directionally drilled from surface location 780 feet from the North line and 2,600 feet from the East line of adjoining Section 24, penetrating the Fruitland Coal formation at a point no closer than 660 feet from the South line and 1,980 feet from the West line in the SW/4 of Section 13, with a bottom hole location in Section 13, 2,300 feet from the North line and 1,200 feet from the West line, all in Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. 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 Energen Resources Corporation as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 4 miles south of Arboles, Colorado.
22. **CASE 13957:** *(Continued from the July 26, 2007 Examiner Hearing)*  
**Amended Application of Energen Resources Corporation to Amend the Cost Recovery Provisions of Compulsory Pooling Order No. R-1960, To Determine Reasonable Costs, and for Authorization To Recover Costs From Production Of Pooled Mineral Interests, Rio Arriba County, New Mexico.** Applicant seeks an order amending the cost recovery provisions of Order No. R-1960 pooling all interests in the Pictured Cliffs formation, (Tapacito-Pictured Cliffs Gas Pool) underlying the SW/4 of Section 2, Township 25 North, Range 3 West, forming a standard 160-acre spacing and proration unit. Applicant proposes the amendment of the cost recovery provisions under the original version of Order No. R-1960 to reflect the current custom and practice of the industry and the Division which allows well operators to recover the reasonable costs of operations and supervision. Applicant also seeks authorization to sell a portion or all of the pooled working interest share of production of a non-selling mineral interest owner and to obtain reimbursement of costs therefrom. The lands that are the subject of the application are located approximately one mile west of Ojito, New Mexico.
23. **CASE 13952:** *(Continued from the August 9, 2007 Examiner Hearing)*  
**Application of Magnum Hunter Production, Inc. 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 underlying the following described acreage in Section 9, Township 17 South, Range 30 East, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Loco Hills-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Stewart "9" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 9. 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 units are located approximately 2 miles north of Loco Hills, New Mexico.
24. **CASE 13940:** *(Continued from the August 9, 2007 Examiner Hearing)*  
**Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico.** Applicants seek an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.