

Applicant seeks to reinstate the unit area and the authority to conduct waterflood operations by injection of water into the Strawn formation initially through the following two injection wells:

Chambers 7 Well No. 1
1700 feet FNL & 900 feet FEL
Unit H, Section 7, Township 16 South, Range 36 East, NMPM
Lea County, New Mexico
API No. 30-025-33623

Runnels 8 Well No. 1
780 feet FSL & 1510 feet FWL
Unit N, Section 8, Township 16 South, Range 36 East, NMPM
Lea County, New Mexico
API No. 30-025-34264

The applicant further requests that the Division re-establish the procedures for the administrative approval of additional injection wells within the unit area and the re-adoption of the provisions set forth in Order Nos. R-13303 and R-13303-A for said waterflood operations. Applicant further seeks to re-certify the waterflood project as an enhance oil recovery project pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said area is located approximately 1 mile West of Lovington, New Mexico.

3. **CASE 14671: (amended and readvertised) (Continued from the October 27, 2011 Examiner Hearing.)**
Application of Apache Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Unit Agreement for the South Pacific State Exploratory Unit Area, comprising 2560 acres of state lands covering all or part of Sections 5, 8, 9, 16, and 17, Township 12 South, Range 36 East, NMPM. The proposed unit area is centered approximately 2 miles North-Northwest of Tatum, New Mexico.

4. **CASE 14743: (Continued from the November 10, 2011 Examiner Hearing.)**
Application of Endeavor Energy Resources, L.P. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 15, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Red Bull "15" Fed. Com. Well No. 1, a horizontal well to be drilled with a surface location in the SE/4 SE/4, and a terminus in the NE/4 NE/4, of Section 15. 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 Endeavor Energy Resources, L.P. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20 miles west of Bennett, New Mexico.

5. **CASE 14754: (Continued from the November 10, 2011 Examiner Hearing.)**
Application of Celero Energy II, LP to approve the expansion of the Drickey Queen Sand Unit Area and to consolidate secondary recovery projects within the expanded unit area, Chaves County, New Mexico. Applicant seeks an order approving the expansion of the Drickey Queen Sand Unit Area, covering 7002.52 acres, to include 240.24 acres of land not originally within the unit area. The unit area, as expanded, contains 7242.76 acres of federal, state, and fee lands covering all or parts of Sections 33-35, Township 13 South, Range 31 East, N.M.P.M., and Sections 1-5, 9-11, 14-16, and 22, Township 14 South, Range 31 East, N.M.P.M. Applicant further seeks the consolidation of existing Division-approved secondary recovery projects covering the lands in the unit area, as expanded, into a single project for the Drickey Queen Sand Unit Area. The unit area is centered approximately 19-1/2 miles south-southwest of Caprock, New Mexico.

6. **CASE 14755: (Continued from the November 10, 2011 Examiner Hearing.)**
Application of Principal Properties for a non-standard gas spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order approving a non-standard 320 acre gas spacing and proration unit in the Morrow formation (Little Box Canyon-Morrow Gas Pool) comprised of the SW/4 of Section 1 and the NW/4 of Section 12, Township 21 South, Range 21 East, N.M.P.M. The unit is to be dedicated to the Horseshoe Canyon Fed. Com. Well No. 1, to be drilled at an unorthodox location in the SW/4 SW/4 of Section. The unit is located approximately 1 miles west-southwest of Seven Rivers, New Mexico.