

Case No. 13692: 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. 13489: (Reopened) Application of McQuadrangle, LC for statutory unitization of the South Red Lake II Unit Area, Eddy County, New Mexico. This Case is being reopened pursuant to the provisions of Section 70-7-78 NMSA of the Statutory Unitization Act to permit the operator of the South Red Lake II Unit to appear and show that the plan for unit operations has been approved by the required percentages of the owners in the unit area for Order No. R-12386 to become effective. The unit is comprised of approximately 961.61 acres, more or less, located in the following Federal and State lands;

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 35: E/2, E/2 SW/4, SE/4 NW/4,
Section 36: W/2, SW/4 NE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 1: Lot 4
Section 2: Lots 1, 2, 3

Said unit area is located approximately 16 miles southeast of Artesia, New Mexico.

Case No. 13582: (Reopened) Application of Chesapeake Operating, Inc. for statutory unitization of the Trinity Burrus Unit Area, Eddy County, New Mexico. This Case is being reopened pursuant to the provisions of Section 70-7-78 NMSA of the Statutory Unitization Act to permit the operator of the Trinity Burrus Unit to appear and show that the plan for unit operations has been approved by the required percentages of the owners in the unit area for Order No. R-12496 to become effective. The unit is comprised of approximately 1720 acres, more or less, located in the following Federal, State and Fee lands;

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 15: SW/4 SE/4
Section 22: E/2, E/2 W/2
Section 23: W/2, W/2 E/2
Section 26: W/2 W/2, NE/4 NW/4, SE/4 SW/4
Section 27: E/2, E/2 W/2

Said unit area is located approximately 25 miles northeast of Lovington, New Mexico.

Case No. 13693: Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Blanco-Mesaverde formation underlying the W/2 of Section 14, Township 25 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, for all formations and/or pools developed on 320-acre spacing within this vertical extent including but not limited to the Blanco-Mesaverde Gas Pool. This unit is to be dedicated to the Badger 14 Well No. 1A, to be drilled at a standard location 2120 feet from the

South line and 660 feet from the West line in the NW/4 SW/4 of said Section 14 to test the Blanco-Mesaverde formation at a depth of approximately 5832 feet. 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 5 miles northeast of Lindreth, New Mexico.

Case No. 13694: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Rascal State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 963.38 acres of State of New Mexico lands in Sections 18 and 19 in Township 12 South, Range 32 East, NMPM, which is located approximately 10 miles south of Caprock, New Mexico.

Case No. 13664: Continued from March 16, 2006, 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 N/2 of Section 33, Township 17 South, Range 30 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated Loco Hills-Atoka Gas Pool and Undesignated Cedar Lake-Morrow Gas Pool. The unit is to be dedicated to the proposed Full Tank 33 Fed. Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 (Unit B) of Section 33. 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 Gruy Petroleum Management Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles south-southeast of Loco Hills, New Mexico.

Case No. 13685: Continued from March 30, 2006, Examiner Hearing
Application of Magnum Hunter Production, Inc. for compulsory pooling, Lea 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 2, Township 24 South, Range 34 East, NMPM, and in the following manner: the N/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 Antelope Ridge-Atoka Gas Pool and Antelope Ridge-Morrow Gas Pool; the NE/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 NW/4 NE/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, including the Antelope Ridge-Wolfcamp Pool. The units are to be dedicated to the Antelope State 2 Well No. 3, to be drilled at an orthodox location in the NW/4 NE/4 of Section 2. 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 Gruy Petroleum Management Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 17-1/2 miles northwest of Jal, New Mexico.

Case No. 13695: 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.

Case No. 13608: Continued from March 16, 2006, Examiner Hearing
Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico. Applicant seeks an order contracting the East Empire-Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2