

CASE NO. 13872: Continued from the March 1, 2007 Examiner Hearing.

Application of Charles D. Ray 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 W/2 of Section 29, Township 23 South, Range 34 East, NMPM, 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. The unit is to be designated to the TDS Well No. 1, to be drilled at an orthodox location in the NW/4 of Section 29. 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 BC Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20-1/2 miles southwest of Oil Center, New Mexico.

CASE NO. 13771: Reopened – Amended application of Kaiser-Francis Oil Company for Promulgation of Speical Pool Rules for the East Happy Valley Bone Spring Pool, for an Exception to the Gas-oil Ratio Limitation, and Assignment of a Special Depth Bracket Allowable, Eddy County, New Mexico. Applicant seeks an order establishing special pool rules for the East Happy Valley Bone Spring Pool comprised of the W/2 of Section 11, Township 22 South, Range 26 East, NMPM providing for 160-acre spacing and proration units with the option for a second well and designated well locations, including 330' setback requirements. Applicant also seeks an exception from the gas oil ratio limitation under Division Rule 506 A that would permit wells drilled within each proration unit within the pool to produce up to a GOR limitation of four thousand cubic feet of gas for each barrel of oil produced, along with an increase in the depth bracket allowable to 382 under Division Rule 505. Applicant proposes that the applicability of the special pool rules be limited to the W/2 of said Section 11. Applicant is the operator of the Mesa-Grande 11 Well No. 2 (API No. 30-015-3720) completed in the Second Bone Spring formation at a location 2661' FSL and 660' FWL (Unit L) of Section 11, T22S, R26E. The well and lands are located approximately 1/2 mile southwest of Carlsbad, New Mexico. This Application is set for hearing before a duly appointed examiner of the Oil Conservation Division on March 15, 2007 at 8:15 a.m.

CASE NO. 13890: In the Matter of the Application of Energen Resources Corporation for Compulsory Pooling and for an Exception to Rule 2 of the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool for Designation of a Non-Standard Spacing Unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all interests in the Gallup/Dakota formation (West Lindrith Gallup-Dakota Oil Pool) underlying the Lots 3, 4 and the NW/4 of irregular Section 1, Township 24 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. Applicant also seeks to designate said lands as a 216.76± acre non-standard spacing and proration unit. Applicant proposes to drill its Jicarilla 126 S No. 1-E Well to be drilled at a standard location 2535' from the North line and 1735' from the West line of Section 1. The subject lands are located approximately 9.6 miles west of Lindrith, New Mexico.

CASE NO. 13629: Reopened - Continued from the March 1, 2007 Examiner Hearing.

In the matter of Case 13629 being reopened pursuant to the provisions of Division Order No. R-12514, which order promulgated temporary special pool rules for the Sand Springs Permo Upper-Pennsylvanian Pool in Lea County, New Mexico, including provisions for 160-acre spacing units and designated well locations. Operators in the Sand Springs Permo Upper-Pennsylvanian Pool may appear and show cause why the temporary special pool rules established by this order should not be rescinded and the pool not be developed on statewide 40-acre spacing.

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. 13814: Reopen and Re-advertise - Continued from the March 1, 2007 Examiner Hearing.

Amended Application of Chi Operating, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause 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 4, 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 necessarily limited to the Happy Valley-Morrow Gas Pool and the Happy Valley-Atoka Gas Pool; the NE/4 for all formation and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 NE/4 for all