Examiner Hearing – June 21, 2007 Docket No. 18-07 Page 6 of 8

Gutierrez, 500 Marquette Ave., N.W., Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. This well is located approximately 5 miles south of Eunice, New Mexico.

CASE 13891 (Reopened): (Continued from the June 7, 2007 Examiner Hearing)

Application of Petrohawk Energy Corporation for authorization to reactivate a waterflood project, Lea County, New Mexico. Applicant seeks approval of a waterflood project, including the reactivation of a previously approved waterflood (OCD Orders WFX-518 and WFX-530) in Sections 8 and 9, Township 22 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.

CASE 13941: Application of Encore Acquisition Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 12, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant proposes to drill its Encore 12 State Com Well No. 1 to be located at a standard gas well location 910 feet from the South line and 1100 feet from the West line of said Section 12. Applicant seeks to dedicate the W2 of Section 12 to the well to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including 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 the applicant as operator of the well and a charge for risk involved in drilling said well. The subject lands are located approximately 6 miles northeast of Buckeye, New Mexico.

CASE 13942: Application of Encore Acquisition Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 22, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant proposes to drill its Encore 22 State Com. Well No. 1 to be located at a standard gas well location 1730 feet from the North line and 1000 feet from the East line of said Section 22. Applicant seeks to dedicate the N/2 of Section 22 to the well to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including 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 the applicant as operator of the well and a charge for risk involved in drilling said well. The subject lands are located approximately 3 miles east of Buckeye, New Mexico.

CASE 13943: Application of Encore Operating, LP for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka and Morrow formations underlying the E/2 of Section 28, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Atoka and Morrow formations. Said units are to be dedicated to Applicant's proposed Encore 28 State Com No. 1 Well to be drilled from a surface location 800' from the North line and 660' from the East line of said Section 28. 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 Encore Operating, LP or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 12 miles southwest of Artesia, New Mexico.

CASE 13944: ⊃(This case will be dismissed.)

Application of Energen Resources Corporation for Compulsory Pooling and Unorthodox Well Location, 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 well. The well will be drilled from an unorthodox surface location 780 feet from the North line and 2,600 feet from the East line of 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 of adjoining Section 13, with a standard 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

Examiner Hearing – June 21, 2007 Docket No. 18-07 Page 7 of 8

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.

CASE 13945: 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.

CASE 13912: (Continued from the May 24, 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.

CASE 13853 (Continued from the May 24, 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 the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles west-southwest of Lake Arthur, New Mexico.

CASE 13856: (Continued from the May 24, 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 N/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. This unit is to be dedicated to the Starr 34 Fee Well No. 2, 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 the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles west-southwest of Lake Arthur, New Mexico.

CASE 13924: (Continued from the June 7, 2007 Examiner Hearing)

Application of Edge Petroleum Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SW/4 NW/4 of Section 25, Township 16 South, Range 36 East, NMPM, to form a 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. 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 Edge Petroleum Operating Company, 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 4 miles southwest of Lovington, New Mexico.

CASE 13932: (Continued from June 7, 2007 Examiner Hearing.)

Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the