

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 14123

**APPLICATION OF JUDAH OIL, LLC FOR
APPROVAL OF A SALT WATER DISPOSAL WELL,
EDDY COUNTY, NEW MEXICO**

STIPULATION

Comes now Judah Oil, LLC ("Judah"), the applicant in this case, by its attorney, James Bruce, and RKI Exploration and Production, LLC and Lobos Energy Partners, LLC (collectively "RKI"), by their attorney, W. Thomas Kellahin, an adversely affected offset operator, and stipulate as follows:

- (1) Judah is the applicant before the New Mexico Oil Conservation Division in the referenced case and seeks approval to inject produced water into the Wolfcamp and Cisco formations using its proposed salt water disposal well, Geronimo "27" State Com Well No. 2 (API No. 30-015-31716), which located in Unit M of Section 27, T17S, R28E, NMPM, Eddy County, New Mexico.
- (2) RKI is the operator of the Geronimo "33" State Well No. 2 (API # 30-015-31373) located in Unit A of Section 33, T17S, R28E well that is currently producing in the Wolfcamp formations through perforations from 7,066 feet to 7,206 feet.
- (3) Judah and RKI desire to protect the RKI wellbore from possible adverse affects of injection from the Judah wellbore. RKI believes that the interval its its wellbore from 7720-7780 feet, unless protected, may be affected by injection This interval correlates to 7640-7700 feet in the Judah's wellbore.

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Oil Conservation Division
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Exhibit No. _____

(4) In order to protect the RKI's well from injection into Judah's wellbore, Judah, before any injection, has agreed to setting a packer in its wellbore at about 7770 feet and to limit perforations such that the top of perforations are at or below 7782 feet.

(5) Based upon the foregoing, RKI shall withdraw its protest in Case 14123 provided that the Division order entered in this case shall adopt and incorporate the terms and conditions of this Stipulation.

(6) The individual signing this Stipulation hereby warrants and represents to the other party and to the Division that he has been duly authorized by his client company to sign this stipulation and to bind said company to all the terms and conditions of this stipulation.

(7) This stipulation shall be made a part of the record in the Examiner's hearing of Case 14123.

This stipulation is executed this 8th day of May 2008 by the respective attorneys of record for the parties indicated on behalf of said parties.

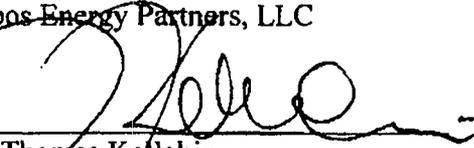
JUDAH OIL, LLC

By 

James Bruce, Esq.

For Judah Oil, LLC

RKI Exploration and Production, LLC and
Lobos Energy Partners, LLC

BY 

W. Thomas Kellahin

For RKI Exploration and Production, LLC
And Lobos Energy Partners, LLC