

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