

SCB 23-19 Well Bottomhole: 1300 feet FWL and 1000 feet FNL (Unit E)
 Surface: 1950 feet FNL and 2470 feet FWL (Unit F)
 Bottomhole: 2620 feet FEL and 1300 feet FNL (Unit F)
SCB 23-20 Well 2520 feet FSL and 2460 feet FEL (Unit J)
SCB 23-21 Well 2531 FSL and 1252 FEL (Unit I)

within the following described area:

Township 23 South, Range 28 East, NMPM

Section 23:

Tract 1: W/2 NW/4; SE/4 NW/4 and SW/4 NE/4 (160-acres)
Tract 2: NE/4 NW/4 and NW/4 NE/4 (80-acres)
Tract 3: E/2 NE/4 (80) acres)
Tract 4: N/2 SW/4 (80-acres)
Tract 5: N/2 SE/4 (80-acres)
Tract 6: S/2 SE/4 (80-acres)

Applicant also requests that the Division, in accordance with Division Rule 701 and pursuant to the New Mexico "Enhanced Oil Recovery Act," approve this project for the recovered oil tax rate for enhanced oil recovery. Applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for the waterflood operations. This Unit is located approximately 2 miles East of Loving, New Mexico.

CASE NO. 13720: *Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp.* The Applicant seeks an order determining that operator knowingly and willfully violated 19.15.9.703 NMAC, imposing civil penalties, requiring operator to bring the wells into compliance with 19.15.9.703 NMAC or plug the wells by a date certain, and in the event of non-compliance, authorizing the Division to forfeit the applicable financial assurance and plug and abandon the wells. The affected wells are: H G Watson, #007 30-015-03293, J-4-18S-29E; Burnham Grayburg San Andres Unit #001A, 30-015-04044, L-2-17S-30E; Burnham Grayburg San Andres Unit #001C, 30-015-04049, P-2-17S-30E; Burnham Grayburg San Andres Unit #003A, 30-015-04058, H-2-17S-30E; Federal KK #003, 30-015-04066, J-3-17S-30E; Federal Q #001, 30-015-04068, 4-3-17S-30E; Federal Q #004, 30-015-04071, F-3-17S-30E; Federal L #002, 30-015-04406, 2-31-17S-30E; North Square Lake Unit 127, 30-015-04949, H-31-16S-31E; Featherstone #005, 30-015-05034, C-2-17S-31E; Federal KK #001, 30-015-20315, P-3-17S-30E; Loco Hills A Federal #002, 30-015-20536, N-10-17S-30E; Loco Hills B Federal #001, 30-015-20537, P-9-17S-30E; Loco Hills A Federal #005, 30-015-20610, L-10-17S-30E; Loco Hills B Federal #005, 30-015-20672, J-9-17S-30E; North Square Lake Unit #069, 30-015-03925; North Square Lake Unit #145, 30-015-04948, J-31-16S-31E; Artesia State Unit #002D, 30-015-21449, A-23-18S-27E; Artesia State Unit #002, 30-015-21486, L-13-18S-27E; Artesia State Unit #001E, 30-015-21487, B-23-18S-27E. The affected wells are located approximately 10-30 miles east and southeast of Artesia, Eddy County, New Mexico.

CASE NO. 13721: *Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp.* The Applicant seeks an order requiring CBS Operating Corp. to bring inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells in the event of noncompliance and forfeit the applicable financial assurance; imposing civil penalties, and for such other relief as the Director deems appropriate. The affected wells are the following:

Artesia State Unit #001, 30-015-00883, D-13-18S-27E
Constate #001, 30-015-05017, C-36-16S-31E
Cowtown Unit #201, 30-015-01849, M-13-18S-28E
Cowtown Unit #401, 30-015-02037, D-24-18S-28E
Cowtown Unit #402, 30-015-02032, E-24-18S-28E
Featherstone #002, 30-015-05037, F-2-17S-31E
Featherstone #004, 30-015-05039, 4-2-17S-31E
Federal JJ #003, 30-015-20737, N-3-17S-30E
Federal L #004, 30-015-04411, F-31-17S-30E
Federal R #007, 30-015-20695, B-10-17S-30E
HG Watson #006, 30-015-20312, K-4-18S-29E
HG Watson #008, 30-015-03294, 0-4-18S-29E
J L Langford #006, 30-015-03362, C-9-18S-29E
Loco Hills A Federal #006, 30-015-10611, D-15-17S-30E
Loco Hills A Federal #007, 30-015-20615, F-15-17S-30E
Loco Hills B Federal #009, 30-015-25110, I-9-17S-30E
North Square Lake Unit, #20, 30-015-04936, B-30-16S-31E
North Square Lake Unit #038, 30-015-04937, G-30-16S-31E
North Square Lake Unit #046, 30-015-04899, G-28-16S-31E
North Square Lake Unit #070, 30-015-20316, P-25-16S-30E

North Square Lake Unit #071, 30-015-03924, P-25-16S-30E
 North Square Lake Unit #079, 30-015-04928, P-30-16S-31E
 North Square Lake Unit #081, 30-015-04917, N-29-16S-31E
 North Square Lake Unit #083, 30-015-04915, P-29-16S-31E
 North Square Lake Unit #096, 30-015-04031, A-36-16S-30E
 North Square Lake Unit #111, 30-015-04979, B-33-16S-31E
 North Square Lake Unit #113, 30-015-04990, D-34-16S-31E
 North Square Lake Unit #115, 30-015-10273, B-34-16S-31E
 North Square Lake Unit #132, 30-015-04978, E-33-16S-31E
 North Square Lake Unit #167, 30-015-04983, N-33-16S-31E
 Porcupine AAQ Federal #001, 30-015-25050, N-26-16S-31E
 Travis D Federal #012, 30-015-03513, J-17-18S-29E
 Travis D Federal #021, 30-015-24709, L-17-18S-29E
 Wilson #002, 30-015-05041, J-2-17S-31E

The wells are located approximately 10-30 miles east or southeast of Artesia, in Eddy County, New Mexico.

CASE NO. 13675: Continued from May 11, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring Stevens Operating Corporation to Plug 7 Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Chaves County, New Mexico. The Applicant seeks an order requiring Stevens Operating Corporation to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
O'BRIEN C #001	30-005-10188	M-1-09S-28E
O'BRIEN C #004	30-005-60330	L-1-09S-28E
O'BRIEN C #009	30-005-62661	E-1-09S-28E
O'BRIEN DQ #001	30-005-60731	4-30-07S-29E
O'BRIEN DQ #002	30-005-61017	N-30-07S-29E
O'BRIEN EA #001	30-005-62240	F-33-07S-29E
WEST WHITE RANCH #002	30-005-10094	H-1-12S-28E

CASE NO. 13709: Continued from May 11, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring K.P. Kauffman Company, Inc. to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico. The Applicant seeks an order requiring K.P. Kauffman Company, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Mesa Queen 7 State #1	30-025-29200	660 FSL/1040FEL P-7-16S-32E

CASE NO. 13711: Continued from May 11, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring Tempo Energy, Inc. to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico. The Applicant seeks an order requiring Tempo Energy, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
San Simon State #6	30-025-29839	2310 FNL/990 FEL H-4-22S-35E

CASE NO. 13712: Continued from May 11, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring Heartland Energy Corp. to Plug 2 Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Eddy County, New Mexico. The Applicant seeks an order requiring Heartland Energy Corp. to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Froelich Federal #1	30-015-23552	1980 FNL, 660 FEL H-24-18S-21E
Sun Texas State #1	30-015-23672	1980 FNL, 1980 FEL J-24-18S-21E

CASE NO. 13713: Continued from May 11, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring The Estate of Reuben F. Momsen to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Eddy County, New Mexico.