

11. **CASE 13976:** *Application of McKay Oil Corporation to amend the special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.* Applicant seeks an order amending the special rules and regulations for the West Pecos Slope-Abo Gas Pool. Division Order No. R-9976, as amended, instituted special rules and regulations for the pool including: (i) 160-acre well units; (ii) wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line; and (iii) two wells per well unit. Applicant requests that the special rules and regulations for the Pool be amended to provide for: (a) four wells per well unit, whether they are vertical or horizontal wells; (b) wells to be located no closer than 330 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line, subject to the directional drilling provisions of NMAC 19.15.3.111; (c) an administrative procedure for an exception to the well density provisions of the amended rules; and (d) a buffer zone whereby the amended rules will not apply to any quarter section adjoining any other Division-designated Abo gas pool. The pool includes all or parts of Township 5 South, Ranges 21-22 East, NMPM, Township 6 South, Ranges 22-23 East, NMPM, Township 7 South, Ranges 22-23 East, NMPM, Township 8 South, Ranges 22-23 East, NMPM, and Township 9 South, Ranges 22-23 East, NMPM. The pool is centered approximately 25 miles northwest of Roswell, New Mexico.
12. **CASE 13966:** *(Continued from the August 9, 2007 Examiner Hearing)*
Application of U.S. Enercorp, Ltd. for two non-standard oil spacing and proration units, Rio Arriba County, New Mexico. Applicant seeks an order approving two non-standard oil spacing and proration units, one comprised of Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 2 (containing 322.65 acres), and one comprised of Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3 (containing 321.39 acres), both in Township 23 North, Range 1 West, NMPM, for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the West Puerto Chiquito-Mancos Pool. The units are located approximately 4 miles west-northwest of Gallina, New Mexico.
13. **CASE 13977:** *Application of Samson Resources Company for approval of an application for permit to drill and to allow two operators on a well unit, Lea County, New Mexico.* Applicant seeks approval of an application for permit to drill its Osudo 29 State Well No. 2 in the N/2 of Section 29, Township 20 South, Range 36 East, NMPM. The N/2 of Section 29 will be simultaneously dedicated to the proposed well, to be located in the SE/4 NE/4 of Section 29 and operated by applicant, and to the existing Osudo State Com. Well No. 1, located in the NW/4 NW/4 of Section 29, operated by Legacy Reserves Operating, LP. The well unit is located approximately 9 miles southwest of Monument, New Mexico.
14. **CASE 13978:** *Application of Samson Resources Company for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Barnett Shale underlying the E/2 of Section 32, Township 20 South, Range 36 East, NMPM. The unit is to be dedicated to the proposed Osudo 32 State Com. Well No. 2 to be drilled at an orthodox location in the NE/4 NE/4 of Section 32. 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 miles southwest of Monument, New Mexico.
15. **CASE 13968:** *(Continued from the August 9, 2007 Examiner Hearing)*
Application of Yates Petroleum Corporation for non-standard spacing and proration units, Chaves County, New Mexico. Applicant seeks an order creating a non-standard 184.63-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 3 and 4 of irregular Section 36, Township 9 ½ South, Range 24 East, NMPM and Lots 3 and 4 and S/2 NW/4 of irregular Section 1, Township 10 South, Range 24 East, NMPM; and a non-standard 52.06-acre spacing and proration unit, for all formations and/or pools developed on 40-acre spacing, comprised of Lot 3 of said Section 36 and Lot 3 of said Section 1. Yates proposes to dedicate these non-standard spacing units to its Erma Com Well No. 3 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line to an approximate depth of 4774 feet. These non-standard units are located approximately 12 miles northeast of Roswell, New Mexico.
16. **CASE 13891 (Reopened):** *(Continued from the August 9, 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.

17. **CASE 13928:** (Continued from the July 26, 2007 Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in the E/2 of Section 34, Township 11 South, Range 31 East, N.M.P.M., Chaves County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent; the NE/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing within this vertical extent. Said units are to be dedicated to its Tillis BJZ Well No. 1 to be drilled at a location 990 feet from the North line and 660 feet from the East line of Section 34, Township 11 South, Range 31 East, NMPM, Chaves County, New Mexico to an approximate depth of 11350 feet to test any and all formations from the surface to the base of the Mississippian 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 Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 5 miles southwest of Caprock, New Mexico.

18. **CASE 13961:** (Continued from the July 26, 2007 Examiner Hearing)

Application of Chevron USA, Inc. for amendment of Division Order No. R-4442, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Vacuum Grayburg-San Andres Pressure Maintenance Project Area, approval of amendment of the cooperative water injection agreement between the Central Vacuum Unit and the Vacuum Grayburg-San Andres Unit, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Vacuum Grayburg-San Andres Pressure Maintenance Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South, Range 35 East, N.M.P.M. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1850 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 22 miles northwest of Hobbs, New Mexico.

19. **CASE 13945:** (Continued from the July 12, 2007 Examiner Hearing.)

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.

20. **CASE 13912:** (Continued from the July 12, 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