

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

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

CASE NO. 13695 (De Novo)
Order No. R-12616-A

APPLICATION OF CHAPARRAL ENERGY, LLC
FOR APPROVAL OF A SALT WATER DISPOSAL
WELL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 8, 2007, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 6th day of December, 2007, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

(1) On August 12, 2005, Chaparral Energy, LLC (Chaparral) filed an application to utilize its State K Well No. 1 (API No. 30-025-22049) located 1980 feet from the South and West lines of Section 21, Township 11 South, Range 33 East, NMPM, Lea County, New Mexico, to dispose of produced water into the San Andres formation at open-hole depths from 3850 feet to 4469 feet.

(2) The case was heard by examiners on June 8 and July 6, 2006, and Order No. R-12616 was issued by the Division on August 30, 2006, approving the use of the State K Well No. 1 for salt water disposal with specific stipulations regarding remedial operations on certain wells within the area of review as well as requiring operations, equipping and testing on the injection well prior to injection.

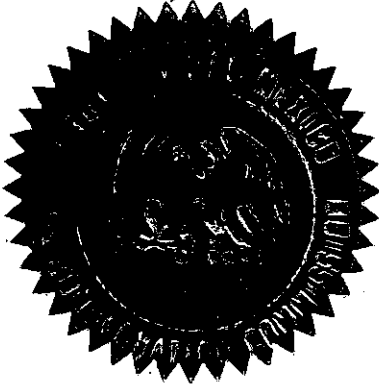
(3) Rule 19.15.14.1221 NMAC provides that a party has the right to have a matter heard de novo before the Oil Conservation Commission if the party files a written application for de novo hearing within 30 days from the date the Oil Conservation Division issued its order. Chaparral filed a timely application for de novo hearing on

September 29, 2006, and the de novo application was set for hearing on November 16, 2006. The applicant requested several extensions of the hearing of the case and has now requested that the Commission dismiss the case.

IT IS THEREFORE ORDERED THAT:

(1) Case 13695 De Novo is hereby dismissed, and Division Order No. R-12616 is hereby continued in full force and effect until further notice.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

A handwritten signature in cursive script, appearing to read "Jami Bailey".

JAMI BAILEY, GPG, Member

A handwritten signature in cursive script, appearing to read "William Olson".

WILLIAM OLSON, Member

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire".

MARK E. FESMIRE, P. E., Chair