

PRELIMINARY DOCKET: COMMISSION MEETING – THURSDAY – SEPTEMBER 22, 2011

9:00 A.M. – Porter Hall
 1220 South St. Francis
 Santa Fe, New Mexico

Land Commissioner, Ray Powell, may designate Scott Dawson for this meeting, or may participate himself.

Notice: The minutes of the August 25, 2011 Commission Meeting will be adopted.

Notice: During this meeting, the Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

Final action may be taken in the following:

De Novo Case 14558, the Application of Marbob Energy Corporation for vertical expansion of the Burch Keely Unit, Eddy County, New Mexico, and

De Novo Case 14577, the Application of COG Operating LLC for vertical extension of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to correspond with the Unitized Formation of the Burch-Keely Unit, Eddy County, New Mexico.

1. **CASE 14497:** *(De Novo) (Continued from the August 25, 2011 Commission Meeting.)*
Application of David H. Arrington Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing unit located in the S/2 of Section 26, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the North Eidson Morrow Gas Pool, the Undesignated North Hume Morrow Gas Pool and the Undesignated Grassland Austin Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent. Said unit is to be dedicated to its Green Eyed Squealy Worm Well No. 1 to be re-entered 1974 feet from the South line and 1129 feet from the East line of said Section 26. 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 David H. Arrington Oil & Gas Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles West of Lovington, New Mexico. Upon application of David H. Arrington Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
2. **CASE 14538:** *(De Novo) (Continued from the August 25, 2011 Commission Meeting.)*
Application of Marshall & Winston, Inc. to cancel an operator's authority and terminate a spacing unit, and approve a change of operator, Lea County, New Mexico. Applicant seeks an order canceling the authority of David H. Arrington Oil & Gas, Inc. to operate the Green Eyed Squealy Worm Well No. 1, located 1974 feet from the south line and 1129 feet from the East line of Section 26, Township 15 South, Range 34 East, NMPM, and terminating the S 1/2 of Section 26 spacing unit currently dedicated to the well. Applicant further requests that it be approved as operator of the well. The well is located approximately 8 miles West-Northwest of Lovington, New Mexico. Upon application of David H. Arrington Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
3. **CASE 14720:** **Application of Agave Energy Company for authority to inject, Lea County, New Mexico.** Agave Energy Company requests an order from the NM Oil Conservation Commission authorizing it to inject acid gas and carbon dioxide (CO₂) from the Red Hills Gas Processing Plant into its proposed Red Hills AGI#1 well. The well will be located in Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, New Mexico. Agave Energy Company seeks approval to drill and complete a well for injection of acid gas and CO₂ into the Cherry Canyon Formation approximately from 6200 feet to 6530 feet, and approval of a maximum injection pressure of 2085 psi and a maximum daily injection rate of 13MMCFD. The proposed Red Hills AGI #1 will be located approximately twenty (20) miles northwest of the town of Jal, New Mexico.
4. **CASE 14161: (REOPENED)** **Application of Targa Midstream Service LP to Amend Order No. R-13052.** Applicant seeks an order amending Order No. R-13052, concerning the proposed Monument Acid Gas Injection Well (API No. 30-025-40002) to (1) delete the requirement to re-enter and replug NMGSAU Well No. 285 (API No. 30-025-12481), and (2) retain the Graham State NCT-F Well No. 7 (API No. 30-025-12482) as an active saltwater disposal well into the San Andres per SWD-561 and SWD-561-A. The proposed Monument AGI well is located 662 feet from the South line and 2513 feet from the East line of Section 36, Township 19 South, Range 36 East, NMPM (Unit O), Lea County, New Mexico. The NMGSAU well No. 285 is located 1830 feet from the North line and 1980 feet from the West line (Unit F) of Section 36, Township 19 South, Range 36 East. NMGSA Well No. 285 is un-plugged within the Drinkard, Abo, Wolfcamp, Pennsylvanian, Mississippian, Devonian, Fusselman, and Montoya (at depths from 6300 to 9750 feet).