

PERLIMINARY DOCKET: COMMISSION MEETING – THURSDAY – JULY 7, 2005

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

Land Commissioner, Patrick H. Lyons, may designate Jami Bailey as his representative for this hearing, or may participate himself.

Notice: The minutes of the June 9, 2005, 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.

CASE 13482: *In the matter of the Proposal of the Oil Conservation Commission, On Its Own Motion, To Amend Oil Conservation Division Rules 1201, 1203 Through 1205, 1207, 1208, 1211, 1212, 1214 and 1220.* The Oil Conservation Commission on its own motion proposes to repeal Part 14 of the Rules of the Oil Conservation Division, consisting of Rules 1201 through and including 1223, in its entirety, and to adopt a substituted Part 14 consisting of new Rules 1201 through 1226, inclusive, providing revised procedural rules for rulemaking and adjudicatory proceedings before the Oil Conservation Division and the Oil Conservation Commission.

CASE 13437: *De Novo*

Application of Lance Oil & Gas Company, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation underlying the NW/4 of Section 17, Township 29 North, Range 14 West, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool. This unit is to be dedicated to its WF ROPCO "17" Well No. 2 (API# 30-045-32140) to be drilled at an unorthodox gas well location in Unit E of this section for production from the Twin Mounds Fruitland Sand Pictured Cliffs Gas Pool (See Administrative Order NSL-5008, dated March 3, 2004). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1-1/2 miles East-Southeast from Kirtland, New Mexico. Upon application of James Thomas Robbins, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 13402: *Continued from June 9, 2005, Commission Meeting.*

Consolidated Application of Loco Hills GSF for an Exemption to the Liner and Leak Detection Requirements of 19.15.2.50.C NMAC and Approval of Stage 1 and 2 Abatement Plans, with Provisional Alternate Abatement Standards, Eddy County, New Mexico. Applicant seeks an order granting an exemption to the liner and leak detection requirements of 19.15.2.50.C NMAC to allow a clay-lined storage pond for saturated brine, with monitoring devices to detect designed leakage, at the Loco Hills LPG storage facility located in Section 22, Township 17 South, Range 29 East. Applicant also seeks approval of its proposed Stage 1 and 2 abatement plans to restore groundwater quality at the site to background concentrations or to an alternate abatement standard of 5000/mg/l TDS through a pump and use strategy. The site is located on the south side of New Mexico State Highway 82 between Loco Hills and Artesia, just west of where Bear Grass Draw crosses the highway.