

PRELIMINARY DOCKET: COMMISSION MEETING – THURSDAY – JULY 17, 2014

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

Land Commissioner, Ray Powell, may designate Terry Warnell for this meeting.

Notice: The minutes of the June 19, 2014 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:

CASE 15127: *Application of DCP Midstream, LP for Authorization to Inject Acid Gas into the Artesia AGI #2 Well, Section 7, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.*

CASE 15035: *De Novo (Continued from the June 19, 2014, Commission Meeting.)*

Application of COG Operating LLC for two non-standard project areas, two non-standard oil spacing and proration units, and approval of non-standard locations for two wells in Lea County, New Mexico. Applicant seeks an order approving two 280-acre non-standard project areas and oil spacing and proration units in the Bone Spring formation comprised of (i) the SW/4 NE/4 and W/2 SE/4 of Section 5, and the W/2 E/2 of Section 8, Township 26 South, Range 34 East, NMPM, to be dedicated to the **Gunner 8 Fed. Well No. 5H**, with a surface location in the SW/4 SE/4 of Section 8, a terminus in the SW/4 NE/4 of Section 5, and a non-standard completed interval; and (ii) the SE/4 NW/4 and E/2 SW/4 of Section 5, and the E/2 W/2 of Section 8, Township 26 South, Range 34 East, NMPM, to be dedicated to the **Gunner 8 Fed. Well No. 6H**, with a surface location in the SE/4 SW/4 of Section 8, a terminus in the SE/4 NW/4 of Section 5, and a non-standard completed interval. This matter is set for hearing upon the objection of Yates Brothers, Inland Title, LLC, and Sugarberry Oil & Gas Corporation, individually, and as Agent on behalf of Katy Pipeline and Production Corporation (collectively SOG) to the request for two non-standard project areas. These units are located approximately 19 miles southwest of Jal, New Mexico. Upon application of Yates Brothers, Yates Holdings LLC, Sugarberry Oil and Gas Corporation and Katy Pipeline and Production Corporation, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

CASE 15044: *De Novo (Continued from the June 19, 2014, Commission Meeting.)*

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the N/2 N/2 of Section 5, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Gunner 5 Fee Com 1H** well, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 5. The completed interval for this well will be within the 330-foot standard offset required by the rules. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southwest of Jal, New Mexico. Upon application of Yates Brothers, Yates Holdings LLC, Sugarberry Oil and Gas Corporation and Katy Pipeline and Production Corporation, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.