

PRELIMINARY DOCKET: COMMISSION MEETING - Thursday - MARCH 23, 2006

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

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

Notice: The minutes of the February 9, 2006 and March 13, 2006 Commission meetings 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 No. 13586: Application of the New Mexico Oil Conservation Division for Repeal of Existing Rules 709, 710 and 711 Concerning Surface Waste Management and Adoption of new Rules Governing Surface Waste Management. The New Mexico Oil Conservation Division hereby gives notice that the Oil Conservation Commission will conduct a public hearing at 9:00 A.M. on **Thursday, March 23, 2006**, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the adoption of amendments to 19.15.1, 19.15.2 and 19.15.9 NMAC. The proposed amendments will amend Section 7 of 19.15.1 NMAC to change the definition of "oil field wastes," and the definition of "watercourse," and to adopt of new definitions of "biopile," "soil" and "surface waste management facility." The proposed amendments will also amend 19.15.9 NMAC by removing Sections 709 (concerning transportation of produced water), 710 (concerning disposition of produced water) and 711 (concerning surface waste management facilities) to 19.15.2 NMAC, where these sections will become new Sections 51 (Transportation of Produced Water, Drilling Fluids and Other Liquid Oil Field Waste), 52 (Disposition of Produced Water and Other Oil Field Wastes) and 53 (Surface Waste Management Facilities) of 19.15.2 NMAC. These sections [19.15.2.51, 19.15.2.52 and 19.15.2.53 NMAC] will be substantially re-written to provide revised permitting requirements for transporters of produced water and oil field wastes, to revise rules for disposition of produced water and other oil field wastes, and to revise permitting requirements and procedures and siting, design, construction and operational requirements for surface waste management facilities. Copies of the text of the proposed amendments are available from Division Administrator Florene Davidson at (505)-476-3458 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd/rules.htm>. Proposed alternative rule amendments must be received by the division no later than 5:00 P.M. on Thursday, March 9, 2006. Written comments on the proposed amendments must be received no later than 5:00 P.M. on Thursday, March 16, 2006. Proposed alternative rule amendments and written comments may be hand-delivered or mailed to Ms. Davidson at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at 476-3462.

CASE 13274: Continued from February 9, 2006 Commission Meeting.

Application of Arch Petroleum Inc. for Approval of Two Non-Standard Gas Spacing and Proration Units in the Jalmat Gas Pool, Lea County, New Mexico. Applicant seeks approval of (i) a non-standard gas spacing and proration unit comprised of the SW/4 of Section 20, Township 23 South, Range 37 East, to be dedicated in the Jalmat Gas Pool to the Steeler "A" Well No. 1, located in the NW/4 SW/4 of the section, to be operated by Westbrook Oil Corporation, and (ii) a non-standard gas spacing and proration unit comprised of the SE/4 of Section 20, in said township and range, to be dedicated in the Jalmat Gas Pool to the Resler "B" Well No. 1, located in the NW/4 SE/4 of the section, to be operated by applicant. The units are located approximately 10-1/2 miles south-southwest of Eunice, New Mexico. Upon the application of Arch Petroleum Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 13367: De Novo - Continued from February 9, 2006, Commission Meeting.

Application of Bass Enterprises Production Co. for an order Authorizing the Drilling of a Well in the Potash Area, Eddy County, New Mexico. Applicant seeks an order approving the drilling of its proposed James Ranch Unit Well No. 93 within the Potash Area at a location 660 feet from the North and East lines (Unit A) of Section 7, Township 23 South, Range 31 East. This well will be drilled to an approximate depth of 14,800 feet to test all formations from the surface to the base of the Morrow formation, Los Medanos-Morrow Gas Pool and will be at a standard location in all formations. Said location is within the Potash Area and approximately 10 miles east of Carlsbad, New Mexico. Upon application of Mosaic Potash Carlsbad, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1221.

CASE 13368: *De Novo - Continued from February 9, 2006, Commission Meeting.*

Application of Devon Energy Production Company, L.P. for an order Authorizing the Drilling of a Well in the Potash Area, Eddy County, New Mexico. Applicant seeks an order approving the drilling of its proposed Apache 24 Fee Well No. 6 within the Potash Area at a location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24, Township 22 South, Range 30 East. This well will be drilled to an approximate depth of 7,900 feet to test all formations from the surface to the base of the Delaware formation, Southeast Quadada Ridge-Delaware Pool and will be at a standard location in all formations. Said location is within the Potash Area and located approximately 8 miles east of Carlsbad, New Mexico. Upon application of Mosaic Potash Carlsbad, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1221.

CASE 13372: *De Novo - Continued from February 9, 2006, Commission Meeting.*

Application of Devon Energy Production Company, L.P. for Approval of an Unorthodox Well Location and Authorization to Drill a Well in the Potash Area, Eddy County, New Mexico. Applicant seeks an order approving the drilling of its proposed Apache 24 Fee Well No. 7A within the Potash Area at an unorthodox well location 1460 feet from the North line and 1150 feet from the West line (Unit E) of Section 24, Township 22 South, Range 30 East. This well will be drilled to an approximate depth of 15,500 to as a wildcat well to test the Devonian formation. Said location is within the Potash Area and located approximately 8 miles east of Carlsbad, New Mexico. Upon application of Mosaic Potash Carlsbad, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1221.