

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 30, 2006

8:15 A.M. - 1220 South St. Francis  
Santa Fe, New Mexico

Docket Nos. 39-06 and 40-06 are tentatively set for December 13, 2006 and January 4, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE NO. 13819: *Application of the New Mexico Oil Conservation Division, through the Enforcement and Compliance Manager, for a Hearing on the Request of Americo Energy Resources LLC for a Waiver of Penalties due under the terms of Agreed Compliance Order 70-A.* Americo Energy Resources LLC's request for a waiver of the penalties due under the terms of agreed compliance order 70-A was denied administratively. Under the terms of ACOI 70-A the request for waiver of penalties is being set for hearing.

CASE NO. 13820: *Application of Range Operating New Mexico, Inc. for an order increasing the gas-oil ratio from 5000 to 10000 cubic feet of gas per barrel of oil produced for the Southwest Eunice-San Andres Pool located in portions of Sections 4, 5, 6, 7, 8, 9, 15, 16, 17 and 18 of Township 22 South Range 37 East and for all San Andres production within one mile of the outer boundary of this pool, Lea County, New Mexico.* These Sections are located near the City of Eunice approximately 3 miles Southwest of the intersection of Highway 176 and Highway 18, New Mexico.

CASE NO. 13793: *Continued from the October 26, 2006 Examiner Hearing.*

*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 Basin Fruitland Coal-Gas Pool underlying the W/2 of Section 18, T29N, R14W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool. This unit is to be dedicated to its KLOG "18" Well No. 2 to be drilled at a standard gas well location in the SW 1/4 NW 1/4 (Unit E) of this section for production from the Basin Fruitland Coal Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1/2 mile Southeast from the center of Kirkland, New Mexico. In the absence of objection, this matter will be taken under advisement.

CASE NO. 13821: *Application of Chesapeake Operating, Inc. for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests in the Upper Pennsylvanian formations underlying the S/2SE 1/4 of Section 29, T16S, R37E, NMPM, Lea County, New Mexico, forming a standard 80-acre oil spacing and proration unit for any production from these formations, including but not limited to the Northeast Lovington-(Upper) Pennsylvanian Pool. This unit is to be dedicated to its Lawrence "29" Well No. 1 which is to be drilled and completed at a standard well location in Unit P of this section. Also to be considered will be the costs of the drilling and completing said 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 risk charge of 200% for the risk involved in this well. This unit is located approximately 6 miles southeast from Lovington, New Mexico.

CASE NO. 13822: *Application of OGX Resources LLC for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N 2 of Section 3, T19S, R26E, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for production from any and all formations or pools developed on 320-acre spacing including but not limited to the Four Mile Draw-Morrow Gas Pool. This unit is to be dedicated to its Blue Cat Fee Well No. 1 (API# 30-015-34608) to be drilled at a standard gas well location in Unit G of this section. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of OGX Resources LLC as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 7 miles northeast from Lakewood, New Mexico.