

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 18, 2007

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

Docket Nos. 04-07 and 05-07 are tentatively set for February 1, 2007 and February 15, 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. 13858: *Application of the New Mexico Oil Conservation Division for a Compliance Order against Pronghorn Management Corp.* Applicant seeks an order 1) finding that Operator knowingly and willfully violated 19.15.4.201 NMAC as to sixteen wells and imposing civil penalties for those violations; 2) requiring Operator to bring said wells into compliance with 19.15.4.201 NMAC by a date certain; and 3) authorizing the division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance. The affected wells are: Fowler B #001, 30-025-28197, K-6-19S-38E; JF Black #003, 30-025-11182, B-21-24S-37E; JF Black #004, 30-025-11183, F-21-24S-37E; JF Black #005, 30-025-21401, K-21-24S-37E; JF Black #006, 30-025-21478, F-21-24S-37E; JF Black #007, 30-025-21479, C-21-24S-37E; Marshall #001, 30-025-08358, 4-19-23S-33E; Marshall #005, 30-025-25000, F-19-23S-33E; Marshall #008, 30-025-25642, 3-19-23S-33E; New Mexico BZ State, 30-025-03524, F-29-21S-35E; New Mexico DL State #003, 30-025-28608, H-18-23S-33E; New Mexico DL State #004, 30-025-28609, N-18-23S-33E; New Mexico DL State #005, 30-025-28610, J-18-23S-33E; New Mexico DL State #006, 30-025-28659, P-18-23S-33E; New Mexico DL State #007, 30-025-28681, A-18-23S-33E; New Mexico EF State #003, 30-025-28697, M-17-23S-33E.

CASE NO. 13859: *Application of the New Mexico Oil Conservation Division for a Compliance Order against Pronghorn Management Corp.* Applicant seeks an order requiring finding operator to be in knowing and willful violation of NMSA 1978, Section 70-2-31(B)(2), 19.15.13.1115.A NMAC, and 19.15.4.201 NMAC as to eleven wells; assessing penalties for the violations; requiring operator to file corrected production reports by a date certain; requiring operator to bring the wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance; and requiring operator to provide contact information for private lessors affected by the violations. The wells at issue are: Fields #004, 30-025-25348, A-25-23S-32E; JF Black #001, 30-025-11178, G-21-24S-37E; Marshall #007, 30-025-25201, C-19-23S-33E; New Mexico BZ State NCT 5 #001, 30-025-03521, D-29-21S-35E; New Mexico BZ State NCT 5 #002, 30-025-03522, C-29-21S-35E; New Mexico BZ State NCT 5 #003, 30-025-03523, E-29-21S-35E; New Mexico DL State #001, 30-025-28223, I-18-23S-33E; New Mexico DL State #002, 30-025-28607, O-18-23S-33E; New Mexico EF State #001, 30-025-28680, L-17-23S-33E; State C #001, 30-025-03485, M-20-21S-35E; State HL #001, 30-025-26492, L-2-23S-33E. The wells are located in southern Lea County, New Mexico.

CASE NO. 13846: *Continued from the January 4, 2007 Examiner Hearing.*

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order 1) finding that C W Trainer, OGRID 3474, knowingly and willfully violated 19.15.4.201 NMAC as to four wells and imposing penalties for those violations; 2) requiring the operator to return said wells to compliance with 19.15.4.201 NMAC by a date certain; and 3) in the event of non-compliance, authorizing the Division to plug said wells and forfeit the operator's financial assurance. The affected wells are: Gulf State Com #001, 1-4-15S-35E, 30-025-23525; Harris Federal #001, O-5-22S-34E, 30-025-28551; Morse #001, E-27-10S-37E, 30-025-04991; State GB #001, C-16-15S-36E, 30-025-03689. The wells are located in Lea County, New Mexico.

CASE NO. 13822: *Continued from the November 30, 2006 Examiner Hearing.*

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.