

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 29, 2007

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

Docket Nos. 39-07 and 40-07 are tentatively set for December 13, 2007 and January 10, 2008. 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.

Locator Key for Cases

Case 13751 - No. 25
Case 13891 - No. 8
Case 13940 - No. 29
Case 13942 - No. 27
Case 13957 - No. 28
Case 13960 - No. 12
Case 13981 - No. 17
Case 13990 - No. 3
Case 14006 - No. 1
Case 14008 - No. 2
Case 14016 - No. 9
Case 14017 - No. 10
Case 14018 - No. 11
Case 14024 - No. 4
Case 14025 - No. 5
Case 14026 - No. 6
Case 14027 - No. 7
Case 14028 - No. 13
Case 14029 - No. 14
Case 14030 - No. 15
Case 14031 - No. 16
Case 14032 - No. 18
Case 14033 - No. 19
Case 14034 - No. 20

1. **CASE 14006:** (Continued from the October 18, 2007 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division for a Compliance Order against Chaparral Energy, LLC. Applicant seeks an order finding that Chaparral Energy, LLC knowingly and willfully violated Oil Conservation Division Rule 19.15.13.1105 NMAC by failing to file a C-105 Well Completion and Recompletion Report and Log Form; requiring Chaparral Energy, LLC to file a C-105 Well Completion and Recompletion Report and Log Form by a date certain; assessing penalties for Chaparral Energy, LLC's knowing and willful violation of Oil Conservation Division Rule 19.15.13.115; and for such other relief as the Director deems appropriate. The affected well is the Roberts 13 No. 001Y well, API No. 30-015-34892, Unit Letter G, Section 13, Township 17 South, Range 26 East, in Eddy County, New Mexico. The well is located approximately 10 miles east of Artesia, New Mexico.
2. **CASE 14008:** (Continued from the October 18, 2007 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order 1) finding that Yeso Energy, Inc., OGRID 221710, knowingly and willfully violated 19.15.13.1115.C NMAC, 19.15.13.1104 NMAC, 19.15.9.701 NMAC and 19.15.10.804.A NMAC as to nineteen wells and imposing monetary penalties for those violations; and 2) requiring the operator to avail itself to an audit and submit corrected records; or, alternatively, 3) ordering operator to plug and abandon all remaining wells for which it remains the operator of record in the state of New Mexico, pursuant to NMSA 70-2-14(B), and, in the event of non-compliance, authorizing the Division to plug said wells and forfeit the operator's financial assurance. The affected wells are:

CORTLAND MYERS UNIT #001	30-025-11194
CORTLAND MYERS UNIT #002	30-025-11195
CORTLAND MYERS UNIT #004	30-025-11198
CORTLAND MYERS UNIT #005	30-025-11199
JAMISON #001	30-025-11188
JAMISON #003	30-025-11189
KNIGHT #001	30-025-11186
KNIGHT #002	30-025-11191
KNIGHT #003	30-025-11187
KNIGHT #004	30-025-11190
KNIGHT #009	30-025-20352
KNIGHT #010	30-025-20351
KNIGHT #011	30-025-20350
KNIGHT #014	30-025-27490
LAS CRUCES B #003	30-041-00236
LAS CRUCES B #004	30-041-00237
STATE #001	30-041-20600
STATE BPA #001	30-041-00188
STATE BPA #002	30-041-00189

The State, State BPA and Las Cruces B wells are located approximately six miles southeast of Milnesand in Roosevelt County, New Mexico, with the remainder being located approximately twelve miles south of Eunice and approximately six miles northeast of Jal in Lea County, New Mexico.

3. **CASE 13990:** (Continued from the November 1, 2007 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order finding that Pogo Producing Company knowingly and willfully violated Rule 104, Order R-12366, Rule 1115.A, NMSA 1978, Section 70-2-31(B) and NMSA 1978, Section 70-2-31(D) and imposing penalties for those violations, requiring the operator to file corrected reports, requiring operator to plug and abandon a well, and for such other relief as the Director deems appropriate. The affected well is the Resler B #001, 30-025-36573, Unit Letter J, Section 20, Township 23 South, Range 37 East, in Lea County, New Mexico. The well is located less than five miles north of Teaque.

4. **CASE 14024: Application of OGX Resources, L.L.C. for compulsory pooling, Eddy County, New Mexico.**

Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the E/2 of Section 34, Township 22 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Otis-Morrow Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated Carlsbad-Strawn Gas Pool and the Undesignated Cass Draw-Wolfcamp Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Undesignated North Cass Draw-Wolfcamp Pool. Said units are to be dedicated to its Weems Well No. 1 (API No. 30-015-35789) to be directionally drilled as a gas well from a standard surface location 1073 feet from the North line and 1501 feet from the East line (Unit B), to a standard bottom hole location 660 feet from the North and East lines (Unit A) of said Section 34 at an approximate depth of 12,400 feet to test any and all formations from the surface to the base of the Morrow formation.

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 OGX Resources, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles east of the Carlsbad, New Mexico Municipal Airport.