

Duran-Saenz, Theresa, EMNRD

From: Duran-Saenz, Theresa, EMNRD
Sent: Friday, May 01, 2009 4:35 PM
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Cc: Davidson, Florene, EMNRD
Subject: May 27, 2009 Commission Meeting Preliminary Docket 18-09
Attachments: Docket No. 18-09 PRELIMINARY.doc; Docket No. 18-09 PRELIMINARY.pdf

The message is ready to be sent with the following file or link attachments:

Docket No. 18-09 PRELIMINARY
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*Before the OCC
Case 14255
OCD Exhibit 48-D*

Duran-Saenz, Theresa, EMNRD

From: Duran-Saenz, Theresa, EMNRD
Sent: Friday, May 01, 2009 4:37 PM
To: (baizelb@earthlink.net); (rrmiles@cableone.net); (read@lookingglass.net); (myoung@mewbourne.com); (land@marbob.com); (jbyrom@djsimmonsinc.com); (dgirand@mackenergycorp.com); (csecows@aol.com); (bganter@br-inc.com); (aalexandcer@br-inc.com); (WDeedler@aol.com); (walker@kfoc.net); (sallyk@forl.com); (rhodge@northstarop.com); (namebored@aol.com); (llrwb@austin.rr.com); (lcgraysf@earthlink.net); (kahlinaa@ypcnm.com); (jdewbre@swm.com); (ddrdmidland@aol.com); (ccw@spinn.net); (BRANA1223@aol.com); Adan Trujillo (adantrujillo@gmail.com); (ballen@sesi-nm.com); (charlie.perrin@state.nm.us); (cheryls@ypcnm.com); (chris.wyatt@bp.com); (ccarter@pvtnetworks.net); (dan_mccright@eogresources.com); (dboneau@pvtnetworks.net); (dexterh@forl.com); (DonAdams@hess.com); (dneeper@earthlink.net); (ekendrick@montand.com); elizabeth_bush@oxy.com; Elizabeth Taylor (etaylor@wtmlawfirm.com); Macquesten, Gail, EMNRD (gail.macquesten@state.nm.us); (huffaker@handmlc.com); J. Scott Hall (shall@montand.com); (jbailey@slo.state.nm.us); (jan.wooldridge@dvn.com); (jtportwood@mindspring.com); JD Steven M. Feisal (sfeisal@chkenergy.com); (jlevine@pnm.com); Jolene McCaleb (jmccaleb@wtmlawfirm.com); Karin V. Foster (fosterassociates2005@yahoo.com); (kristen.howell@williams.com); (gandy2@leaco.net); (markm@forl.com); (mjc@gallegoslawfirm.net); Mikal Altomare (Mikal.Altomare@state.nm.us); (omundsdry@hollandhart.com); (ppearce@br-inc.com); (rtupman@hess.com); (richard.ezeanyim@state.nm.us); (Rick_Foppiano@oxy.com); (bwatson@trailnet.com); (shane@spearbrothersgroup.com); (boyds_enm@zianet.com); Sonny Swazo (Sonny.Swazo@state.nm.us); (stan.phillips@apachecorp.com); (jbemis@slo.state.nm.us); (steven.hayden@state.nm.us); (syahney@heyco.org); (tim.gum@state.nm.us); (tony_herrell@blm.gov); (tyrafeil@duganproduction.com); (wcarr@hollandhart.com); (yolanda.perez@conocophillips.com)
Cc: Davidson, Florene, EMNRD
Subject: May 27, 2009 Commission Meeting Preliminary Docket 18-09
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PRELIMINARY DOCKET: COMMISSION MEETING –WEDNESDAY – MAY 27, 2009

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 April 15, 2009 Special 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.

The Oil Conservation Commission will deliberate on Case 14292 concerning the application of the New Mexico Oil Conservation Division for Adoption of Amendments to Rule 19.15.17 (the "Pit Rule"); Statewide.

Locator Key for Cases

*Case 13957 – No. 3
 Case 14055 – No. 2
 Case 14134 – No. 6
 Case 14141 – No. 7
 Case 14149 – No. 4
 Case 14150 – No. 5
 Case 14255 – No. 1
 Case 14278 – No. 8*

1. **CASE 14255:** *Reopened (Continued from the April 15, 2009 Special Commission Meeting.) Application of the New Mexico Oil Conservation Division, through its Environmental Bureau Chief, for adoption of an amendment to 19.15.39 NMAC adding new sections to be codified at 19.15.39.9 and 19.15.39.10 NMAC addressing special provisions for Santa Fe County and the Galisteo Basin, Santa Fe, Sandoval and San Miguel Counties, New Mexico.* The Oil Conservation Commission is reopening the record in Case 14255 for the limited purpose of the parties submitting a proposed real property description by section, township and range for that portion of the Galisteo Basin located within Santa Fe County. The Commission shall hear testimony from the parties and take public comment on the proposed real property description.

2. **CASE 14055:** *(Continued from the April 9, 2009 Commission Meeting.) Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company.* The Oil Conservation Commission will hear the Division's Motion to Re-Open Case, which requests the Order be amended to require C&D Management Company to plug and abandon its wells by a date certain for non-compliance with 19.15.7.24 NMAC (formerly 19.15.13.1115 NMAC), Division authorization to plug and abandon the wells and forfeit the applicable financial assurance in event of Operator's non-compliance, and finding an assessed \$5,000.00 civil penalty is due and owing.

The affected wells are:

- | | | |
|--------------------------|---------------|--------------|
| • Amoco No. 001; | L-13-17S-27E; | 30-015-24738 |
| • Muncy Federal No. 001; | F-13-17S-27E; | 30-015-23083 |
| • Muncy Federal No. 002; | E-13-17S-27E; | 30-015-25012 |
| • Saunders No. 012; | O-13-17S-27E; | 30-015-22348 |

- Michael State No. 001; H-25-17S-27E; 30-015-24877
- Schneider No. 001; -24-17S-27E; 30-015-22907
- Scott Federal No. 001; P-12-17S-27E; 30-015-25437

These wells are located approximately 10 miles west of Loco Hills, in Eddy County, New Mexico.

- Hastie No. 016; 4-18-17S-28E; 30-015-22371
- Hastie No. 017; 3-18-17S-28E; 30-015-22852
- Hastie No. 018; N-18-17S-28E; 30-015-22848
- Hastie No. 019; 2-18-17S-28E; 30-015-23186
- Hastie No. 020; 1-18-17S-28E; 30-015-23516
- Hastie No. 021; C-18-17S-28E; 30-015-23821

These wells are located approximately 8 miles west of Loco Hills, in Eddy County, New Mexico.

- Shearn Becky Federal No. 001; B-14-17S-27E; 30-015-34440
- Shearn Freedom Federal No. 002; A-14-17S-27E; 30-015-34454
- Shearn Samantha Federal No. 001; G-14-17S-27E; 30-015-31059
- Shearn Shilo Federal No. 001; B-14-17S-27E; 30-015-31061

These wells are located approximately 11 miles west of Loco Hills, in Eddy County, New Mexico.

3. ***CASE 13957: De Novo (Continued from the March 12, 2009 Commission Meeting.)***
Amended Application of Energen Resources Corporation to Amend the Cost Recovery Provisions of Compulsory Pooling Order No. R-1960, To Determine Reasonable Costs, and for Authorization To Recover Costs From Production Of Pooled Mineral Interests, Rio Arriba County, New Mexico. Applicant seeks an order amending the cost recovery provisions of Order No. R-1960 pooling all interests in the Pictured Cliffs formation, (Tapacito-Pictured Cliffs Gas Pool) underlying the SW/4 of Section 2, Township 25 North, Range 3 West, forming a standard 160-acre spacing and proration unit. Applicant proposes the amendment of the cost recovery provisions under the original version of Order No. R-1960 to reflect the current custom and practice of the industry and the Division which allows well operators to recover the reasonable costs of operations and supervision. Applicant also seeks authorization to sell a portion or all of the pooled working interest share of production of a non-selling mineral interest owner and to obtain reimbursement of costs therefrom. The lands that are the subject of the application are located approximately one mile west of Ojito, New Mexico. Upon application of JAS Oil and Gas Company, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

4. ***CASE 14149: De Novo (Continued from the April 9, 2009 Commission Meeting.)***
Application of El Paso E&P Company, L.P. to abolish the Van Bremmer Canyon-Vermejo Gas Pool, expand the Castle Rock Park-Vermejo Gas Pool, and to establish special rules and regulations for the Castle Rock Park-Vermejo Gas Pool, Colfax County, New Mexico. Applicant seeks an order (i) abolishing the Van Bremmer Canyon-Vermejo Gas Pool, (ii) expanding the horizontal extent of the Castle Rock Park-Vermejo Gas Pool to include acreage formerly within the Van Bremmer Canyon-Vermejo Gas Pool, (iii) expanding the horizontal extent of the Castle Rock Park-Vermejo Gas Pool to include additional acreage, and (iv) instituting special rules and regulations for the Castle Rock Park-Vermejo Gas Pool, including: (a) 160 acre well units; (b) wells to be located no closer than 10 feet to a quarter section line or an interior quarter-quarter section line; (c) two wells per well unit, subject to the directional drilling provisions of NMAC 19.15.3.111; (d) an administrative procedure for an exception to the well density provisions of the pool rules; and (e) a buffer zone where wells must be located in accordance with the Division's statewide well location rules. The Castle Rock Park-Vermejo Gas Pool, as expanded, will include the following lands:

<u>Township 29 North, Range 18 East, N.M.P.M.</u>	
Sections 1-3:	All
Section 4:	NE¼
Section 10:	E½
Sections 11-14:	All

Sections 23-25: All

Township 29 North, Range 19 East, N.M.P.M.

Section 3: W $\frac{1}{2}$
Sections 4-9: All
Section 10: SW $\frac{1}{4}$
Section 16: W $\frac{1}{2}$
Sections 17-20: All
Section 21: W $\frac{1}{2}$
Section 30: NW $\frac{1}{4}$

Township 30 North, Range 17 East, N.M.P.M.

Sections 1-3: All
Section 9: SE $\frac{1}{4}$
Sections 10-16: All
Section 17: NE $\frac{1}{4}$
Section 21: N $\frac{1}{2}$
Section 22: N $\frac{1}{2}$
Section 23: N $\frac{1}{2}$
Section 24: All

Township 30 North, Range 18 East, N.M.P.M.

Sections 3-29: All
Section 30: N $\frac{1}{2}$ and SE $\frac{1}{4}$
Section 32: N $\frac{1}{2}$ and SE $\frac{1}{4}$
Sections 33-36: All

Township 30 North, Range 19 East, N.M.P.M.

Section 7: All
Section 17: NW $\frac{1}{4}$
Section 18: All
Section 19: All
Section 20: All
Section 21: SW $\frac{1}{4}$
Section 28: W $\frac{1}{2}$ and SE $\frac{1}{4}$
Sections 29-32: All
Section 33: W $\frac{1}{2}$ and SE $\frac{1}{4}$

Township 31 North, Range 17 East, N.M.P.M.

Section 13: S $\frac{1}{2}$
Section 14: All
Sections 23-26: All
Section 27: NE $\frac{1}{4}$ and S $\frac{1}{2}$
Section 28: SE $\frac{1}{4}$
Section 33: E $\frac{1}{2}$
Sections 34-36: All

Township 31 North, Range 18 East, N.M.P.M.

Section 29: All
Section 30: W $\frac{1}{2}$ and SE $\frac{1}{4}$
Section 31: All
Section 32: All
Section 33: W $\frac{1}{2}$

The Castle Rock Park-Vermejo Gas Pool is centered approximately 31 miles west-southwest of Raton, New Mexico. Upon application of El Paso E&P Company, L.P., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

5. Case No. 14150: De Novo (Continued from the April 9, 2009 Commission Meeting.)
Application of El Paso E&P Company, L.P. to expand the Stubblefield Canyon Raton-Vermejo Gas Pool, and to establish special rules and regulations for the pool, Colfax County, New Mexico. Applicant seeks an order expanding the horizontal extent of the Stubblefield Canyon Raton-Vermejo Gas Pool, and instituting special rules and regulations for the pool, including: (a) 160 acre well units; (b) wells to be located no closer than 10 feet to a quarter section line or an interior quarter-quarter section line; (c) two wells per well unit, subject to the directional drilling provisions of NMAC 19.15.3.111; (d) an administrative procedure for an exception to the well density provisions of the pool rules; and (e) a buffer zone where wells must be located in accordance with the Division's statewide well location rules. The Stubblefield Canyon Raton-Vermejo Gas Pool, as expanded, will include the following lands:

Township 30 North, Range 19 East, N.M.P.M.

Section 3: NE $\frac{1}{4}$

Township 30 North, Range 20 East, N.M.P.M.

Section 3: N $\frac{1}{2}$ and SW $\frac{1}{4}$

Section 4: All

Section 10: NW $\frac{1}{4}$

Township 31 North, Range 19 East, N.M.P.M.

Sections 1-6: All

Section 7: N $\frac{1}{2}$ and SE $\frac{1}{4}$

Sections 8-17: All

Section 18: E $\frac{1}{2}$

Section 20: N $\frac{1}{2}$

Sections 21-28: All

Section 33: N $\frac{1}{2}$

Section 34: E $\frac{1}{2}$

Section 35: All

Section 36: NW $\frac{1}{4}$

Township 31 North, Range 20 East, N.M.P.M.

Sections 1-30: All

Sections 33-35: All

Section 36: NW $\frac{1}{4}$

Township 31 North, Range 21 East, N.M.P.M.

Section 2: NW $\frac{1}{4}$

Section 3: All

Section 4: N $\frac{1}{2}$ and SW $\frac{1}{4}$

Sections 5-8: All

Section 17: W $\frac{1}{2}$

Section 18: All

Section 19: All

Section 20: W $\frac{1}{2}$

Section 27: W $\frac{1}{2}$

Sections 28-30: All

Section 31: N $\frac{1}{2}$

Section 32: N $\frac{1}{2}$

Section 33: N $\frac{1}{2}$

Section 34: NW $\frac{1}{4}$

Township 32 North, Range 18 East, N.M.P.M.

Section 36: SE $\frac{1}{4}$

Township 32 North, Range 19 East, N.M.P.M.

Section 19: S½ (All)
Section 20: S½ (All)
Section 21: S½ (All)
Section 22: S½ (All)
Section 23: S½ (All)
Section 24: S½ (All)
Sections 25-29: All
Section 30: E½
Sections 31-36: All

Township 32 North, Range 20 East, N.M.P.M.

Section 19: S½ (All)
Section 20: S½ (All)
Section 21: S½ (All)
Section 22: S½ (All)
Section 23: S½ (All)
Section 24: S½ (All)
Sections 25-36: All

Township 32 North, Range 21 East, N.M.P.M.

Section 19: S½ (All)
Section 20: S½ (All)
Section 21: SW¼ (W½)
Section 28: W½
Sections 29-32: All
Section 33: W½

The Stubblefield Canyon Raton-Vermejo Gas Pool is centered approximately 21 miles west-northwest of Raton, New Mexico. Upon application of El Paso E&P Company, L.P., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

6. **CASE 14134:** (Continued from the April 9, 2009 Commission Meeting.)
Application of the Board of County Commissioners of Rio Arriba County for cancellation or suspension of Applications for Permits to Drill (APDs) filed by Approach Operating, LLC, Rio Arriba County, New Mexico. The Board of County Commissioners of Rio Arriba requests a hearing to show that the drilling of the following wells by Approach Operating, LLC will cause waste, violate correlative rights and/or be injurious to human health and the environment:

API No. 30-039-30342
Sultemeier Well No. 1
T27N R4E NMPM
Lat. 36°64'26.10227" N
Long. 106.547435219W

API No. 30-039-30386
Sena Well No. 1
T28N R4E NMPM
Lat. 36°40'08.61650" N
Long. 106°30'27.29027" W

API No. 30-039-30394
Sena Well No. 2
T28N R4E NMPM
Lat. 36°39'25.02004" N
Long. 106°30'42.51613" W

API No. 30-039-30397
Woolley Family LP Well No. 1
T28N R5E NMPM
Lat. 36°41'27.88700" N
Long. 106°23'11.85392" W

7. **CASE 14141:** (Continued from the April 9, 2009 Commission Meeting.)
Application of Approach Operating, LLC for Approval of Six Applications for Permits to Drill, Rio Arriba County, New Mexico. Applicant seeks an order approving applications for permits to drill ("APD's") for the following six wells to be drilled to the Mancos formation, all in Rio Arriba County:

Benjamin Trujillo Well No. 1
T28N R4E NMPM
Lat. 36°38'50.0" N
Long. 106°30'20.4" W

Avella Sultemeier Well No. 2
T28N R4E NMPM
Lat. 36°38'41.8" N
Long. 106°31'34.3" W

Rosemary Roller Well No. 1
T28N R5E NMPM
Lat. 36°40'18.4" N
Long. 106°24'41.5" W

Leo Valdez Well No. 1
T28N R4E NMPM
Lat. 36°39'47.90" N
Long. 106°33'29.18" W

Cloyd Hinkle Well No. 1
T28N R4E NMPM
Lat. 36°39'38.46" N
Long. 106°33'13.02" W

Anthony Garcia Well No. 1
T28N R4E NMPM
Lat. 36°39'37.8" N
Long. 106°31'46.3" W

The subject lands and wells are located approximately three to six miles southeast of Tierra Amarilla, New Mexico.

8. **CASE 14278:** (Continued from the April 9, 2009 Commission Meeting.)
Application of Approach Operating, LLC for Approval of Fourteen Applications for Permits to Drill, Rio Arriba County, New Mexico. Applicant seeks an order approving applications for permits to drill ("APD's") for the following fourteen wells to be drilled to the Mancos formation, all in Rio Arriba County:

Rice Well No. 1
T28N R5E NMPM
Lat. 36°38'23.46" N (36.63985 N)
Long. 106°27'4.32" W (-106.45120 W)

Rice Well No. 2

T28N R5E NMPM

Lat. 36°38'8.3394" N (36.635650 N)

Long. 106°26'57.5406" W (-106.4493166 W)

Montano Well No. 1

T27N R4E NMPM

Lat. 36°36'4.2582" N (36.6011833 N)

Long. 106°30'38.6388" W (-106.5107333 W)

Montano Well No. 2

T27N R4E NMPM

Lat. 36°35'53.127" N (36.59809129 N)

Long. 106°30'47.7576" W (-106.5132664 W)

Dora Spill Well No. 1

T28N R4E NMPM

Lat. 36°37'34.9782" N (36.6263833 N)

Long. 106°32'2.997" W (-106.534166 W)

Dora Spill Well No. 2

T28N R4E NMPM

Lat. 36°37'37.2" N (36.627000 N)

Long. 106°32'30.4182" W (-106.5417833 W)

Dora Spill Well No. 3

T28N R4E NMPM

Lat. 36°37'10.437" N (36.619566 N)

Long. 106°32'17.9982" W (-106.5383333 W)

Jeffrey Spill Well No. 1

T27N R4E NMPM

Lat. 36°34'53.1228" N (36.58142256 N)

Long. 106°31'24.3402" W (-106.523428 W)

Jeffrey Spill Well No. 2

T27N R3E NMPM

Lat. 36°34'24.4776" N (36.573466 N)

Long. 106°33'49.68" W (-106.5638 W)

Jeffrey Spill Well No. 3

T27N R4E NMPM

Lat. 36°34'59.0514" N (36.58307 N)

Long. 106°32'20.0394" W (-106.5389 W)

Edward Spill Well No. 1

T27N R3E NMPM

Lat. 36°35'17.775" N (36.58827121 N)

Long. 106°34'22.7742" W (-106.5729933 W)

Edward Spill Well No. 2

T27N R3E NMPM

Lat. 36°35'47.76" N (36.5966 N)

Long. 106°34'46.3794" W (-106.57955 W)

Edward Spill Well No. 3

T27N R4E NMPM

Lat. 36°36'14.1012" N (36.60391705 N)

Long. 106°33'43.3074" W (-106.5620295 W)

Edward Spill Well No. 4

T28N R4E NMPM

Lat. 36°36'56.5194" N (36.61570 N)

Long. 106°33'42.7782" W (-106.561883 W)

The subject lands and wells are located approximately three to six miles southeast of Tierra Amarilla, New Mexico.