

Commission Meeting – May 27, 2009

Docket No. 18-09

Page 2

- 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:

Township 29 North, Range 18 East, N.M.P.M.  
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.