

PRELIMINARY DOCKET: COMMISSION MEETING –THURSDAY – JULY 16, 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 June 18, 2009 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.

Final action may be taken in Case 13957 De Novo, the 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.

Locator Key for Cases
 Case 14055 – No. 1
 Case 14134 – No. 4
 Case 14141 – No. 5
 Case 14149 – No. 2
 Case 14150 – No. 3
 Case 14278 – No. 6

1. CASE 14055: (Continued from the June 18, 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:

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|--------------------------|---------------|--------------|
| • 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; | J-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.

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| • 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 |

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- 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.

2. ***CASE 14149: De Novo (Continued from the June 18, 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: NE $\frac{1}{4}$
Section 10: E $\frac{1}{2}$
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