

PRELIMINARY DOCKET: COMMISSION MEETING – THURSDAY – SEPTEMBER 9, 2010

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 July 29-30, 2010 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.

FINAL ACTION may be taken in: *CASE 14521: Application of Williams Production Co., LLC for Approval Of A Closed Loop System For The Rosa SWD Well No. 2 And For The In-Place Burial Of Drilling Wastes At Another Well Location, Rio Arriba County, New Mexico.*

Upon a sua sponte motion of the Commission Chair, the Oil Conservation Commission will reopen its deliberations to reconsider its verbal decision in De Novo Case No. 14116, the application of Fasken Oil & Ranch Ltd. for an order authorizing the drilling of an additional well at an unorthodox location in the "Potash Area," Lea County, New Mexico. The case was originally heard by the Commission on April 21-23, 2010.

1. **CASE 14418: De Novo (Continued from the July 15, 2010 Commission Meeting.)**
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 21, Township 19 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Bone Spring formation underlying (i) the NW/4 NW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the W/2 W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Penny Pincher 21 Fed. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the NW/4 NW/4, with a terminus at an orthodox location in the SW/4 SW/4, of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 13 miles South-Southeast of Loco Hills, New Mexico. Upon application of Lynx Petroleum Consultants, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
2. **~~CASE 14411~~: De Novo (Continued from the July 15, 2010 Commission Meeting.)**
Application of Agua Sucia, LLC to reinstate Division Administrative Order SWD-559 for a salt water disposal well, Lea County, New Mexico. Applicant seeks an order reinstating Division Administrative Order SWD-559 for a salt water disposal well, approving disposal into the Bone Spring formation in the Government E Well No. 1, located 610 feet from the South line and 1880 feet from the West line of Section 25, Township 19 South, Range 34 East, NMPM, at depths of 9716-10240 feet subsurface. The well is located approximately 15 miles West-Northwest of Oil Center, New Mexico. Upon the application of Agua Sucia, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule NMAC 19.15.4.23.
3. **CASE 14472: De Novo**
Application of COG Operating, LLC for Cancellation of Operator's Authority and Termination of Spacing Units, Yeso Energy, Inc. Dow "B" 28 Federal Well No. 1, Eddy County, New Mexico. Applicant seeks an order cancelling the authority of Yeso Energy, Inc. as operator of the Dow "B" 28 Federal Well No. 1 and terminating all spacing and proration units at any time dedicated to the well. These include the S/2 (Cedar Lake Morrow-East, Wildcat Cedar Lake Mississippian, and Cedar Lake Morrow pools) and the SE/4 SE/4 (Cedar Lake Devonian pool) in Section 28, Township 17 South, Range 31 East, NMPM, Eddy County. The well is located approximately four miles South of Maljamar, New Mexico and is more particularly described as follows: Dow "B" 28 Federal Well No. 1, API No. 30-015-28676, 1028' FSL & 1227' FEL (Unit P) Section 28, T-17-S, R-31-E, NMPM, Eddy County, New Mexico. Upon application of Yeso Energy, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.