Examiner Hearing – February 4, 2010 Docket No. 4-10 Page 2 of 4

- 2. Application of the New Mexico Oil Conservation Division for a Compliance Order against BTA Oil Producers LLC. The application affects the salt water disposal facility associated with the Pardue C 8808 JVP #001, 30-015-26341, located in Unit "A," Section 11, Township 23 South, Range 28 East in Eddy County, New Mexico. The facility is located less than five miles Northeast of Loving, New Mexico on the Pecos River. The Applicant seeks an order finding the operator in violation of Order No. R-9147-C, 19.15.26.10.B NMAC, 19.15.34 NMAC, 19.15.17 NMAC and 19.15.29 NMAC; requiring the operator to submit a delineation report and complete remediation by dates certain; if operator fails to meet those deadlines ordering the operator to plug and abandon the well and remediate the site by a date certain and authorizing the Division to plug the well, remediate the site and forfeit the applicable financial assurance if the operator fails to meet that deadline; and holding the operator in violation of 19.15.5.9 NMAC or issue an equivalent order, to be kept in place until the operator completes the required corrective action or reimburses the Division for its costs in excess of the forfeited financial assurance to complete the required corrective action.
- 3. <u>CASE 14417</u>: (This case will be dismissed.)

 Application of the New Mexico Oil Conservation Division for a Compliance Order against Purvis Operating Company.

 The Applicant seeks an order requiring operator to take precautions to protect groundwater and prevent waste during drilling. In the alternative, the Applicant seeks an order pursuant to NMSA 1978, Section 70-2-14(B) requiring operator to plug and abandon 5 wells by a date certain and authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance. The wells at issue are: Armadillo State #001, 30-025-38035, L-8-15S-35E; Badger State #001, 30-025-38036, P-6-15S-35E; Buzzard Canyon State #001, 30-015-36344, L-16-20S-21E; Coyote State Com #001, 30-025-38037, D-8-15S-35E; Segrest State Com #001, 30-015-36391, G-2-21S-21E. The Coyote State Com #001 and the Segrest State Com #001 are located approximately 30 miles West of Carlsbad, in Eddy County, New Mexico. The remaining wells are located approximately 5 miles Northwest of Lovington, in Lea County, New Mexico.
- 4. <u>CASE 14419</u>: Application of Marbob Energy Corporation for special rules, Eddy County, New Mexico. Applicant seeks an order establishing special rules and regulations for the Southeast Willow Lake-Bone Spring Pool, including a limiting gas-oil ratio of 5000 cubic feet of gas for each barrel of oil produced. The pool covers parts of Sections 8, 9, 10, 16 and 21 in Township 25 South, Range 29 East NMPM. The pool is located approximately 7 miles Southeast of Malaga, New Mexico.
- 5. <u>CASE 14420</u>: Application of Marbob Energy Corporation for special rules, Eddy County, New Mexico. Applicant seeks an order establishing special rules and regulations for the East Pierce Crossing Bone Spring Pool, including a limiting gas-oil ratio of 5000 cubic feet of gas for each barrel of oil produced. The pool covers parts of Sections 9, 10, 11, 12, 13, 14, 15, 22, 23, 25, 26, 27 and 36 in Township 24 South, Range 29 East NMPM, Section 1 in Township 25 South, Range 29 East NMPM and Section 6 in Township 25 South, Range 30 East NMPM. The pool is located approximately 8 miles Southeast of Malaga, New Mexico.
- 6. <u>CASE 14421</u>: Application of ConocoPhillips Company for amendment of Division Order No. R-2403, as amended, to increase the authorized injection pressure in its MCA Unit Area, Lea County, New Mexico. The Maljamar Cooperative Agreement Unit encompasses portions of Sections 14 to 23 and 25 to 35 of Township 17 South, Range 32 East and portions of Section 30 of Township 17 South, Range 33 East, N.M.P.M. Applicant seeks to increase the approved surface injection pressure for water injection in this project area to 2150 psi. Said unit is located approximately 3 miles South of Maljamar, New Mexico.
- 7. CASE 14422: Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation in the following described project area located in the E/2 E/2 of Section 17, Township 19 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a 160-acre project area in the Bone Spring formation. Said unit is to be dedicated to its Stealth Fed Com No. 1H drilled from a surface location 330 feet from the South line and 600 feet from the East line and a bottomhole location 330 feet from the North line and 380 feet from the East line of said Section 17. 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 Marbob Energy Corporation. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 14.2 miles south of Maljamar, New Mexico.
- 8. <u>CASE 14423</u>: Application of COG Operating LLC for Expansion of Pool Boundaries, Eddy County, New Mexico.

 Applicant seeks an order providing for the expansion of the Crow Flats Wolfcamp oil pool (97102), Abo/Wolfcamp formation, to include the S/2 NW/4 of Section 22 T16S R28E NMPM, Eddy County, New Mexico. Applicant is the operator of the horizontally drilled Comet 22 Federal Well No. 3 (API No. 30-015-35821) within a special project area comprised of the S/2 N/2 of Section 22. The well and lands are located approximately six miles Northwest of Loco Hills, New Mexico.