

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 11, 1999

9:00 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

The minutes of the January 14, 1999, Commission hearing will be adopted.

CASE 12124: The Oil Conservation Division is calling a hearing to consider proposed April, 1999 – September, 1999 gas allowables for the prorated gas pools in New Mexico. Allowable assignment factors are being distributed with an OCD Memorandum dated January 22, 1999. If requests for changes are not received at the February 11, 1999 hearing, these factors will be used to assign allowables for the April – September period.

CASE 12117: Continued from January 14, 1999, Commission Hearing.

In the matter of the hearing called by the Oil Conservation Division to amend 19 NMAC 15.C. 107.J and K. of its Rules and Regulations pertaining to tubing and casing sizes and to giving the Districts authority to grant administrative exceptions. Copies of the proposed rule changes will be circulated with the docket for the February 11, 1999 hearing.

CASE 12118: Continued from January 14, 1999, Commission Hearing.

In the matter of the hearing called by the Oil Conservation Division to amend 19 NMAC 15.C. 112-A. A., B., C., D., E., and F. of its Rules and Regulations pertaining to multiple completions and to expand the Districts' authority to grant administrative exceptions. Copies of the proposed rule changes will be circulated with the docket for the February 11, 1999 hearing.

CASE 12086: De Novo - Continued from January 14, 1999, Commission Hearing.

Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction, and the escrow of production process, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities, (2) providing for termination of the depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission, and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 11839: De Novo - Continued from December 18, 1998, Commission Hearing.

Application of Odessa Oil Investments, Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to re-enter the existing Lakewood State Com Well No. 1 (formerly the Monsanto Company Lakewood State Com Well No. 1), located 1980 feet from the North and West lines (Unit F) of Section 30, Township 19 South, Range 26 East, and utilize the well to dispose of produced water into the Devonian formation through the open-hole interval from approximately 10,300 feet to 10,700 feet. Said well is located approximately 3 miles west of Lakewood, New Mexico. Upon application of Odessa Oil Investments, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

The Oil Conservation Commission may vote to close the open meeting to deliberate any De Novo cases heard at this hearing.