

DOCKET: COMMISSION HEARING – TUESDAY – MARCH 26, 2002

9:00 A.M. – Porter Hall
1120 So. St. Francis
Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey.

The minutes of the February 15, 2002, Commission hearing will be adopted.

This 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 the following cases:

- CASE 12605:** Application of Sapient Energy Corporation for special pool rules, Lea County, New Mexico.
- CASE 12587:** Amended application of Sapient Energy Corp for an unorthodox well location and (i) two non-standard 160-acre spacing units, or in the alternative (ii) one non-standard 160-acre spacing and proration unit, Lea County, New Mexico.
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CASE 12459: De Novo – Continued from February 15, 2002, Commission Hearing.

Application of the Oil Conservation Division for an order requiring I. T. Properties to properly plug one well, Eddy County, New Mexico. Applicant seeks an order requiring I. T. Properties to appear and show cause why one (1) well located in Section 23, Township 19 South, Range 28 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.* Upon application of I. T. Properties, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12744: De Novo – Continued from February 15, 2002, Commission Hearing.

Application of TMBR/Sharp Drilling, Inc. appealing to the Director of the New Mexico Oil Conservation Division the Hobbs District Supervisor's decision denying approval of two applications for permit to drill ("APDs") filed by TMBR/Sharp Inc., Lea County, New Mexico. Applicant requests that the Director order the District Supervisor to approve TMBR/Sharp's permit to drill its Blue Fin 25 Well No. 1 to be dedicated to a 320-acre spacing unit consisting of the W/2 of Section 25, Township 16 South, Range 35 East and TMBR/Sharp's permit to drill its Leavelle 23 Well No. 1 to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 23, Township 16 South, Range 35 East. These wells are located approximately 5 miles southwest of the center of the City of Lovington, New Mexico. Upon application of TMBR/Sharp Drilling, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12731: De Novo – Continued from February 15, 2002, Commission Hearing.

Application of TMBR/Sharp Drilling, Inc. for an order staying Division approval of two applications for permit to drill obtained by David H. Arrington Oil & Gas, Inc., Lea County, New Mexico. Applicant seeks an order staying David H. Arrington Oil & Gas, Inc.'s applications for permit to drill the Triple Hackle Dragon 25 Well No. 1, W/2 of Section 25, Township 16 South, Range 35 East and the Blue Drake 23 Well No. 1, E/2 of Section 23, Township 16 South, Range 35 East, pending a final adjudication of ownership. These wells are located approximately 4 miles north of the center of the City of Lovington, New Mexico. Upon application of TMBR/Sharp Drilling, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12758: De Novo

Application of the New Mexico Oil Conservation Division for an Order Requiring Kersey and Company To Bring One (1) Well into Compliance with Rule 201-B, and Assessing Appropriate Civil Penalties, Lea County, New Mexico. The Applicant seeks an order requiring Kersey and Company, the operator of one inactive well located in Lea County, New Mexico, to bring said well into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof. The affected well is as follows:

| <u>WELL NAME AND NUMBER</u> | <u>API NO.</u> | <u>ULSTR</u> |
|-----------------------------|----------------|--------------|
| Hover "1" #001 | 30-025-00789 | A-32-17S-32E |

Upon application of Kersey and Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12733: De Novo

Application of the New Mexico Oil Conservation Division for an Order Requiring General Minerals Corporation To Bring One (1) Well into Compliance with Rule 201.B and Assessing Appropriate Civil Penalties, Eddy County, New Mexico.

The Applicant seeks an order requiring General Minerals Corporation, the operator of one inactive well located in Eddy County, New Mexico, to bring said well into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof. The affected well is as follows:

| <u>Well</u> | <u>API No.</u> | <u>Twsp.</u> | <u>Range</u> | <u>Sec.</u> | <u>Unit</u> |
|------------------|----------------|--------------|--------------|-------------|-------------|
| Federal "CCC" #1 | 30-015-25477 | 16S | 31E | 4 | < |

Upon application of General Minerals Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12739: De Novo

Application of the New Mexico Oil Conservation Division for an Order Requiring Coulthurst Management & Investments Inc. to Bring Twelve (12) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties, Sandoval County, New Mexico.