

PRELIMINARY DOCKET: COMMISSION MEETING – THURSDAY – JUNE 19, 2014

9:00 A.M. – Porter Hall
 1220 South St. Francis
 Santa Fe, New Mexico

Land Commissioner, Ray Powell, may designate Terry Warnell for this meeting.

Notice: The minutes of the May 22, 2014 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.

CASE 15127: (Continued from the May 22, 2014 Commission Meeting.)

Application of DCP Midstream, LP for Authorization to Inject Acid Gas into the Artesia AGI #2 Well, Section 7, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant DCP Midstream, LP seeks an order from the New Mexico Oil Conservation Commission authorizing it to inject acid gas and carbon dioxide (CO₂) from the Artesia Gas Processing Plant (the "Plant") into its proposed Artesia AGI #2 well. The proposed Artesia AGI #2 well will be located 1,180 feet from the South line and 2,035 feet from the East line (Unit O) of Section 7, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. The Applicant proposes to inject treated acid gas for disposal into the Lower San Andres, Glorieta and Upper Yeso, at an approximate depth of 4,300 feet below the surface, under a maximum allowable operating pressure of 1,704 psig for treated acid gas only and 916 psig for injection of waste water only. The proposed well will serve as the primary disposal well for acid gas and CO₂ from the Plant. The proposed well is located approximately 6 miles Southwest of Riverside, New Mexico.

CASE 15044: *De Novo*

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the N/2 N/2 of Section 5, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Gunner 5 Fee Com 1H** well, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 5. The completed interval for this well will be within the 330-foot standard offset required by the rules. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 19 miles southwest of Jal, New Mexico. Upon application of Yates Brothers, Yates Holdings LLC, Sugarberry Oil and Gas Corporation and Katy Pipeline and Production Corporation, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

CASE 15035: *De Novo*

Application of COG Operating LLC for two non-standard project areas, two non-standard oil spacing and proration units, and approval of non-standard locations for two wells in Lea County, New Mexico. Applicant seeks an order approving two 280-acre non-standard project areas and oil spacing and proration units in the Bone Spring formation comprised of (i) the SW/4 NE/4 and W/2 SE/4 of Section 5, and the W/2 E/2 of Section 8, Township 26 South, Range 34 East, NMPM, to be dedicated to the Gunner 8 Fed. Well No. 5H, with a surface location in the SW/4 SE/4 of Section 8, a terminus in the SW/4 NE/4 of Section 5, and a non-standard completed interval; and (ii) the SE/4 NW/4 and E/2 SW/4 of Section 5, and the E/2 W/2 of Section 8, Township 26 South, Range 34 East, NMPM, to be dedicated to the Gunner 8 Fed. Well No. 6H, with a surface location in the SE/4 SW/4 of Section 8, a terminus in the SE/4 NW/4 of Section 5, and a non-standard completed interval. This matter is set for hearing upon the objection of Yates Brothers, Inland Title, LLC, and Sugarberry Oil & Gas Corporation, individually, and as Agent on behalf of Katy Pipeline and Production Corporation (collectively SOG) to the request for two non-standard project areas. These units are located approximately 19 miles southwest of Jal, New Mexico. Upon application of Yates Brothers, Yates Holdings LLC, Sugarberry Oil and Gas Corporation and Katy Pipeline and Production Corporation, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.