

PRELIMINARY DOCKET: COMMISSION MEETING - THURSDAY – DECEMBER 8, 2005

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 November 10, 2005, 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 13590: This Case Will be Continued to the March 23, 2006, Commission Meeting.

In the matter of the application of the New Mexico Oil Conservation Division for Amendment of Rules 7.W(4) and (7) Concerning Definitions, 202 Concerning Plugging and Abandonment, and 50 Concerning Pits and Below Grade Tanks.

CASE 13586: Continued from the November 10, Commission Meeting.

In the matter of the Application of the New Mexico Oil Conservation Division for Repeal of Existing Rules 709, 710 and 711 Concerning Surface Waste Management and Adoption of New Rules Governing Surface Waste Management. The Oil Conservation Division proposes repeal of OCD Rules 709, 710 and 711 [Sections 709, 710 and 711 of 19.15.9 NMAC] that presently govern transportation and disposition of produced water and surface waste management facilities, and adoption of new rules to govern the transportation and surface disposition of produced water and other oilfield wastes and the permitting and operation of surface waste management facilities. The proposed amendments will extend permitting requirements for carriers of produced water and rules concerning surface disposition of produced water so that they will apply to all oilfield wastes, change the procedures for permitting new surface waste management facilities or modifications of existing facilities, prohibit disposal of salt-contaminated wastes in landfarms, and adopt other detailed regulations concerning surface waste management facilities. Copies of the text of the proposed new rules are available from Division Administrator Florene Davidson at (505)-476-3458 or from the Division's web site at <http://www.emnrd.state.nm.us/rules.htm>. Written comments on the proposals must be received no later than 5:00 P.M. on Thursday, November 3, 2005. Written comments may be hand-delivered or mailed to the Division office at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at 476-3462. A public hearing to consider adoption of the proposed new rules will be held before the Commission in Porter Hall, 1220 South St. Francis Drive, Santa Fe, New Mexico, on Thursday, November 10, 2005, at 9:00 A.M. The application of the proposed new rules will be STATEWIDE.

CASE 13274: Continued from November 10, 2005 Commission Meeting.

Application of Arch Petroleum Inc. for Approval of Two Non-Standard Gas Spacing and Proration Units in the Jalmat Gas Pool, Lea County, New Mexico. Applicant seeks approval of (1) a non-standard gas spacing and proration unit comprised of the SW/4 of Section 20, Township 23 South, Range 37 East, to be dedicated in the Jalmat Gas Pool to the Steeler "A" Well No. 1, located in the NW/4 SW/4 of the section, to be operated by Westbrook Oil Corporation, and (ii) a non-standard gas spacing and proration unit comprised of the SE/4 of Section 20, in said township and range, to be dedicated in the Jalmat Gas Pool to the Resler "B" Well No. 1, located in the NW/4 SE/4 of the section, to be operated by applicant. The units are located approximately 10-½ miles south-southwest of Eunice, New Mexico. Upon the application of Arch Petroleum Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 13589: Continued from the November 10, 2005, Commission Meeting.

Application of Duke Energy Field Services, LP for approval of an acid gas injection well, Lea County, New Mexico. Applicant seeks approval to utilize its proposed Linam AGI Well No. 1, to be drilled 1980 feet from the South and West lines of Section 30, Township 18 South, Range 37 East, to inject up to 2300 barrels of acid gas per day, at a maximum pressure of 2800 psi, into the lower Bone Spring Formation, at an approximate depth of 8700 feet to 9100 feet. Applicant will also test the Brushy Canyon Member of the Delaware Group at a depth of approximately 5000 feet for consideration as a potential secondary injection target. This well is located approximately 4.5 miles west of Hobbs, New Mexico.