

DOCKET: EXAMINER HEARING - THURSDAY – MAY 24, 2007

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 17-07 and 18-07 are tentatively set for June 7, 2007 and June 21, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE 13920: *Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas.* The Applicant seeks an order finding that operator is in violation of 19.15.4.201 NMAC as to two wells, determining that the violation is knowing and willful and imposing a penalty of not less than \$2,000, requiring operator to bring the two wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W; Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico.

CASE 13921: *Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc.* The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004; 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, 1-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico).

CASE 13886: *(Continued from March 29, 2007 Examiner Hearing.)*

Application of the New Mexico Oil Conservation Division for a Compliance Order against Reubin Collins d/b/a RCJ Enterprises, LLC. The Applicant seeks an Order finding that operator is in violation of 19.15.4.201 NMAC as to 11 wells, requiring operator to bring the 11 wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the Division to plug said wells in the event of non-compliance. The affected wells are:

- Buffalo Unit # 007, B-34-18S-33E, 30-025-21604
- Buffalo Unit # 008, H-34-18S-33E, 30-025-21846
- Buffalo Unit # 010, A-34-18S-33E, 30-025-21957
- Buffalo Unit # 011, L-35-18S-33E, 30-025-22598
- Cockburn Federal #004, K-34-17S-33E, 30-025-01391

- Cockburn Federal #006, J-34-17S-33E, 30-025-01392
- Cockburn Federal #007, I-33-17S-33E, 30-025-01362
- Cockburn Federal #010, J-33-17S-33E, 30-025-21242
- Wallen Bass #002, N-21-20S-34E, 30-025-26458
- Wallen Bass #003, P-21-20S-34E, 30-025-25904
- Wallen Bass #004, N-21-20S-34E, 30-025-26288.

The wells are located in Lea County, New Mexico.

CASE 13922: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.* Applicant seeks approval of the Recif Unit from the surface to the base of the Canyon (Upper Pennsylvanian) formation in an area comprising 5,207.37 acres of Federal, State of New Mexico, and Fee lands comprised of Sections 30 and 31 of Township 22 South, Range 23 East, and Sections 5 through 8 and 18 and 19 of Township 23 South, Range 23 East, NMPM, which is located approximately 13 miles west of Carlsbad, New Mexico.

CASE 13908: *(Continued from the May 10, 2007, Examiner Hearing.)*

Application of OXY USA WTP, Limited Partnership, for authorization to simultaneously dedicate a standard spacing and proration unit in the Wolfcamp formation to a horizontal well and two vertical wells, Eddy County, New Mexico. Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico in the Wolfcamp formation, North Burton Flat-Wolfcamp Gas Pool, to the following three wells:

1. The Government AC Com Well No. 1 (**API No. 30-015-21432**) drilled as a vertical well located 660 feet from the South Line and 1980 feet from the West Line of said Section 15;
2. The Government AA Com Well No. 2 (**API No. 30-015-33283**) that has been drilled as a dual lateral horizontal wellbore (directional well) from a surface location 190 feet from the North line and 350 feet from the West line of Section 23 to a bottom hole location 675 feet from the North Line and 261 feet from the East Line of Section 15 and a second lateral with a bottom hole location 678 feet from the South Line and 237 feet from the West line of Section 23; and
3. The Government AC Com Well No. 4 (**API No. 30-015-32655**) drilled as a vertical well located 660 feet from the South and East Lines of Section 15.

This acreage is located approximately 10 miles northeast of Carlsbad, New Mexico.

CASE 13916: *(Continued from the May 10, 2007, Examiner Hearing.)*

Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the following described spacing and proration units located in the S/2 of Section 28, Township 15 South, Range 25 East, NMPM, Chaves County, New