

PRELIMINARY DOCKET: COMMISSION MEETING - THURSDAY – JANUARY 11, 2007

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 October 19, 2006 and December 14-15, 2006 Commission Meetings 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 NO. 13274: De Novo Continued from the December 7, 2006 Commission Meeting.

Application of Pogo Producing Company (successor to 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 (i) a non-standard gas spacing and proration unit comprised of the SW/4 of Section 20, Township 23 South, Range 38 East, NMPM, 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 10-1/2 miles south-southwest of Eunice, New Mexico. Upon the application of Pogo Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE NO. 13531: Continued from the December 7, 2006 Commission Meeting.

Application of Yates Petroleum Corporation for and Order (1) directing Pride Energy Company to reimburse Yates for the well costs incurred by Yates in its attempt to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located in Section 12, Township 12 South, Range 34 East, NMPM, prior to the time Pride Energy Company assumed operations of the well, (2) directing Pride Energy Company to account for and pay all sums it is now improperly holding pursuant to expired orders of the Division and Commission, and (3) requiring Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now improperly held by Pride pursuant to expired orders of the Division and Commission, and (3) an order directing Pride to plug and abandon the State "X" Well. Said well and spacing unit are located approximately 12 miles West Northwest of Tatum, New Mexico. Upon application of Pride Energy Company, this case will be heard DeNovo pursuant to the provision of Rule 1221.

CASE NO. 13695: De Novo Continued from the December 7, 2006 Commission Meeting.

Application of Chaparral Energy, LLC for approval of a salt-water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its State K Well No. 1-21 (API No. 30-025-22049) located 1980 feet from the South and West lines (Unit K) of Section 21, Township 11 South, Range 33 East, to dispose of produced water into the San Andres formation from depths of 3,850 feet to 4,469 feet. Upon application of Chaparral Energy, L.L.C., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE NO. 13686: De Novo Applicant seeks an order immediately and permanently revoking the authority of Gandy Corporation to utilize its State "T" Well No. 2 for the injection of produced water for disposal purposes. The State "T" Well No. 2 (API No. 30-025-03735) is located 4,290' FSL and 500' FWL, Lot 12, in Section 6, T16S, R36E, NMPM in Lea County, New Mexico. Gandy utilizes the State "T" Well No. 2 to dispose of produced water into the San Andres and Gloriaeta formations pursuant to SWD-836 and Order No. R-12171. Applicant is the owner and operator of the Watson "6" No. 1 Well (API No. 30-025-34197) located 2857' FSL and 1417' FWL in Unit N, of said Section 6 utilized for the disposal of produced water by injection into the Cisco and Canyon formations (SWD-834). Applicant