

DOCKET: EXAMINER HEARING - TUESDAY - MARCH 31, 2009

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

Docket Nos. 12-09 and 13-09 are tentatively set for April 16, 2009 and April 30, 2009. 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.

<i>Locator Key for Cases</i>
<i>Case 14162 - No. 3</i>
<i>Case 14269 - No. 12</i>
<i>Case 14271 - No. 13</i>
<i>Case 14282 - No. 6</i>
<i>Case 14293 - No. 1</i>
<i>Case 14294 - No. 2</i>
<i>Case 14295 - No. 4</i>
<i>Case 14296 - No. 5</i>
<i>Case 14297 - No. 7</i>
<i>Case 14298 - No. 8</i>
<i>Case 14299 - No. 9</i>
<i>Case 14300 - No. 10</i>
<i>Case 14301 - No. 11</i>

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

1. **CASE 14293:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against M-T Petroleum, Inc.* The Applicant seeks an order finding that the operator is in violation of 19.15.8.9 NMAC, 19.15.25.10 NMAC, 19.15.25.11 NMAC and 19.15.29.11 NMAC as to one well, assessing penalties, requiring operator to properly plug and abandon said well by a date certain, and in the event of non-compliance authorizing the division to complete the plugging and abandonment of the well and forfeit the applicable financial assurance. The affected well is the Kimbrough #003, 30-025-31190, 2-7-17S-37E, located outside Knowles in Lea County, New Mexico.
2. **CASE 14294:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc.* The Applicant seeks an order finding that the operator is in violation of 19.15.7.24 NMAC, 19.15.8.9 NMAC, and 19.15.25 NMAC, requiring operator to properly plug and abandon all the wells it operates in New Mexico by a date certain, and in the event of non-compliance authorizing the division to plug and abandon the wells and forfeit the applicable financial assurance. The affected wells are: Connie C State #001, 30-015-25366, G-25-19S-28E; Connie C State #002, 30-015-02301, H-25-19S-28E; Connie C State #003, 30-015-25587, K-25-19S-28E; Connie C State #004, 30-015-25648, B-25-19S-28E; Connie C State #017, 30-015-02302, D-25-19S-28E (the Connie C State wells are located approximately 15 miles Northeast of Carlsbad in Eddy County); Dalton Federal #001, 30-015-25259, H-29-17S-29E (located near Loco Hills in Eddy County); Dow B 28

Federal #001, 30-015-28676, P-28-17S-31E (located approximately 5 miles Southeast of Maljamar in Lea County); Gulf McKay Federal #001, 30-025-25471, N-34-18S-32E (located approximately 12 miles Southeast of Maljamar in Lea County); Laguna Grande #001, 30-015-21636, I-28-23S-29E (located approximately 5 miles Southeast of Loving in Eddy County); Lambchop 20 #1, 30-015-27220, B-20-24S-25E (located approximately 5 miles Northwest of Whites City in Eddy County); Morgan Federal #001, 30-005-20667, 3-6-10S-30E (located approximately 15 miles Northwest of Caprock in Chaves County); and Shirley Kay State #001, 30-015-25855, B-32-19S-31E (located approximately 15 miles South of Maljamar in Lea County).

3. **CASE 14162:** *(Continued from the March 5, 2009 Examiner Hearing.)*
Application of Merrion Oil and Gas, Corp. for compulsory pooling in San Juan County, New Mexico. Merrion Oil and Gas, Corp. seeks an order pooling all unleased and uncommitted mineral interest and all uncommitted working interest owners in the Basin Fruitland Coal Pool in the W/2 of Section 9, Township 29N, Range 13W, NMPM, forming a standard 320 acre spacing unit for said Pool. The spacing unit will be dedicated to the drilling of the Glade Park 1 well in the NW/4 and the Glade Park 2 well in the SW/4. Also to be considered will be the cost of drilling and completing both wells and the allocation of cost thereof, as well as the actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. This spacing unit is located inside the city limits of Farmington, New Mexico.

4. **CASE 14295:** *(This case will be continued to the April 16, 2009 Examiner Hearing.)*
Application of Koch Exploration Company, LLC, ConocoPhillips Company, Burlington Resources Oil & Gas Company LP and Energen Resources Corporation for an Increased Density Pilot Project in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Applicant seeks an order approving an Increased Density Pilot Project to allow the drilling of additional infill wells within six standard spacing and proration units located in Township 29 North, Range 9 West NMPM in San Juan County, New Mexico in order to determine the proper well density and well requirements for Basin-Fruitland Coal gas wells in this area:

Township 29 North, Range 9 West

Section 20 E/2; Section 21 W/2; Section 28 W/2; Section 29 E/2; Section 32 E/2; Section 33 W/2

Each of the above-referenced spacing units is located within the low-productivity area of the Basin-Fruitland Coal Gas Pool defined by Rule 7(C) of the Special Rules and Regulations for the Pool, promulgated by Order R-8768-F. These units are located approximately two miles Southeast of Blanco, New Mexico.

5. **CASE 14296:** ***Application of Nearburg Producing Company for an extension of the temporary abandonment status of one well, Eddy County, New Mexico.*** Applicant seeks an order extending the temporary abandonment status of the Parino Well No. 1 (API No. 30-015-23049), located 1980 feet from the South line and 660 feet from the East line of Section 23, Township 19 South, Range 25 East, NMPM, until March 16, 2010. The unit is located approximately 4-1/2 miles Northwest of Seven Rivers, New Mexico.

6. **CASE 14282:** *(Continued from the March 5, 2009 Examiner Hearing.)*
Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland