

PRELIMINARY DOCKET: COMMISSION MEETING –WEDNESDAY – NOVEMBER 4, 2009

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 21, 2009 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.

Final action may be taken in the following:

CASE 14055: *Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company.*

CASE 14134: *Application of the Board of County Commissioners of Rio Arriba County for cancellation or suspension of Applications for Permits to Drill (APDs) filed by Approach Operating, LLC, Rio Arriba County, New Mexico.*

CASE 14141: *Application of Approach Operating, LLC for Approval of Six Applications for Permits to Drill, Rio Arriba County, New Mexico.*

CASE 14278: *Application of Approach Operating, LLC for Approval of Fourteen Applications for Permits to Drill, Rio Arriba County, New Mexico.*

1. **CASE 14041:--De Novo** (Continued from the October 7, 2009 Commission Meeting.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against Marks and Garner Production Ltd. Co.: Request for Determination of Non-Compliance with OCD Rule 19.15.5.9 NMAC for Violation of an Order Requiring Corrective Action. The Applicant seeks to reopen this case to obtain an order determining that operator is in violation of an order requiring corrective action as to the following 11 wells:

Theos State #001 (30-015-24732); Lea/UA/State #001 (30-025-28484); Northeast Maljamar Unit #001 (30-025-21291); Red Twelve Levers Fed #008Q (30-015-25090); State #001 (30-015-02888); Gulf Hanagan Fed #001 (30-025-08144); Cities Service State #001 (30-025-23551); Graham Federal #003 (30-025-28655); Jennings Federal #002(30-025-08149); Kemnitz 17 State #001 (30-025-28767); State #002 (30-015-20889)

State Wells #001 and #002, Theos State #001 and Red Twelve Levers Federal #008Q are all located in Eddy County, New Mexico, approximately sixteen (16) miles East of Artesia. The remainder of the above-listed wells are located in Lea County, New Mexico, with the Cities Service State #001 located Northwest of Lovington, the Northeast Maljamar Unit #001 and Kemnitz 17 State #001 both located Northeast of Maljamar, and the remaining wells being located Southwest of Hobbs.

2. **CASE 14326: De Novo**

Application of the New Mexico Oil Conservation Division for a Compliance Order against Nacogdoches Oil and Gas, Inc. ("NOG"). The Applicant seeks an Order finding that Operator NOG is in violation of OCD Rule 19.15.8.9 as to 39 wells and Rule 19.15.25.8 as to 121 wells, requiring NOG to bring all such wells into full compliance with OCD Rules by a date certain. The Division further seeks authority to forfeit any associated financial assurances, and to plug and abandon the subject wells should the Operator fail to meet the deadline established by the Order. The subject wells are all located in McKinley County on eight (8) units. The Hospah Sand Unit is located approximately 20 mi. NE of Crownpoint, NM, 4 mi. S of junction of highways 197 and 509 on the E side of highway 509; the Santa Fe RR Unit is located approximately 23 mi. E of Crownpoint, NM, 6 mi. SE of junction of 197/509; the Lone Pine Dakota D Unit is located approximately 24 mi. E of Crownpoint, NM, 7 mi. S of junction 197/509; the Santa Fe Railroad A Unit is located directly adjacent to the Hospah Sand Unit to the southeast and is approximately 24 mi. E of Crownpoint, NM, 7 mi. SSE of junction 197/509, the Santa Fe Railroad B Unit is comprised of a small cluster of wells located approximately 26 mi. E of Crownpoint, NM, 8 mi. SE junction 197/509; the Santa Fe Pacific RR Unit is located approximately 21 mi. E of Crownpoint, 9 mi. S junction 197/509; the South Hospah Unit is located approximately 21 mi E of Crownpoint, NM, 7 mi SE of junction 197/509; and the Santa Fe Unit is directly adjacent to the SE of the Santa Fe Railroad Unit and is approximately 24 mi. E of Crownpoint, NM, 7 mi ESE of junction 197/509. The specific wells involved in this matter include the following:
