

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 25, 1999

9:00 A.M. - 2040 South Pacheco

Office of the Secretary Conference Room

Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

The minutes of the February 11, 1999, Commission hearing will be adopted.

CASE 12118: Continued from February 11, 1999, Commission Hearing.

In the matter of the hearing called by the Oil Conservation Division to amend Division Rule 112-A. A., B., C., D., E., and F. pertaining to multiple completions and to expand the Districts' authority to grant exceptions. A copy of the proposed rule changes is attached.

CASE 12086: Continued from February 11, 1999, Commission Hearing.

Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction, and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities, (2) providing for termination of the depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission, and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.