

PRELIMINARY DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 12, 2004

9:00 A.M. – Porter Hall
 1220 South St. Francis Drive
 Santa Fe, New Mexico

Land Commissioner, Patrick H. Lyons, may designate Jami Bailey as his representative for this hearing, or may participate himself.

Notice: The minutes of the July 15, 2004, Commission hearing 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 13268: *The Oil Conservation Commission will consider a proposed amendment to 19.15.5.307 NMAC allowing the operation of wells and gathering systems at below atmospheric pressure.*

CASE 13163: *De Novo*
Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Bring Six Wells into Compliance with 19.15.4.201 NMAC, Assessing Civil Penalties, and Authorizing the Division to Plug Said Wells in Forfeit the Applicable Security in Default of Compliance by Operator; Lea County, New Mexico.

CASE 13163: *Amended*
Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Bring Six Wells into Compliance with 19.15.4.201 NMAC, Assessing Civil Penalties, and Authorizing the Division to Plug Said Wells in Forfeit the Applicable Security in Default of Compliance by Operator; Lea County, New Mexico.

CASE 13048: *De Novo – Continued from July 15, 2004, Commission Hearing.*
Application of Devon Energy Production Company, L.P. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Morrow formation to the base of the Devonian formation underlying the N/2 of Section 4, Township 23 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Antelope Ridge-Devonian Gas Pool. This unit is to be dedicated to its Rio Blanco "4" Federal Well No. 1 to be reentered and deepened to the base of the Devonian formation at a standard well location in Unit F of this section. Also to be considered will be the costs of deepening and completing the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 20 miles southwest of Eunice, New Mexico. Upon application of EGL Resources, Inc., Robert Landreth and Devon Energy Production Company, L. P., this case will be heard De Novo pursuant to the provisions of Rule 1220. The hearing of this case on August 14, 2003, was vacated until the issuance of an order in Division Case No. 13085; Order No. R-12106 was issued in this case on February 20, 2004.

CASE 13153: *De Novo – Continued from July 15, 2004, Commission Hearing.*
Application of Pride Energy Company for Cancellation of a Drilling Permit and Re-instatement of a Drilling Permit, an Emergency Order Halting Operations, and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order canceling one drilling permit and re-instating another drilling permit, ordering operations halted on the well unit, and pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Four Lakes-Morrow Gas Pool and Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located at an orthodox well location in the SW/4 NW/4 of Section 12. Also to be considered will be the cost of re-entering, deepening, and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision,