

PRELIMINARY DOCKET: COMMISSION MEETING – THURSDAY – AUGUST 16, 2012

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

Land Commissioner, Ray Powell, may designate Scott Dawson for this meeting.

Notice: The minutes of the July 18, 2012 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.

1. **CASE 14720: (Reopened)**

Agave Energy Company's Second Motion to Amend Order No. R-13507. Agave Energy Company has filed a motion requesting the Oil Conservation Commission to amend Order No. R-13507, which authorizes Agave Energy to dispose of treated acid gas (TAG) from its Red Hills Gas Processing Plant by injecting the TAG stream into Agave Energy's Red Hills AGI #1 well. The motion requests the Commission to eliminate the requirement in Order No. R-13507 that Agave Energy reenter the plugged and abandoned Government L Com #2 well (API 30-025-26369), place a balanced plug in the injection zone and replug the well in accordance with Oil Conservation Division requirements. The Red Hills AGI #1 well is located in Section 13, Township 24 South, Range 33 East, NMPM, in Lea County, approximately twenty (20) miles northwest of Jal, New Mexico.

2. **CASE 14764: (De Novo) (Continued from the July 18, 2012 Commission Meeting.)**

Application of Cimarex Energy Co. of Colorado for approval of a non-standard oil spacing and proration unit, an unorthodox location, and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. of Colorado seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 33, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 33 to form a non-standard 160 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Chaparral 33 Fed. Com. Well No. 3, a horizontal well to be drilled at an unorthodox surface location 230 feet from the north line and 810 feet from the east line, with a terminus in the SE/4 SE/4, of Section 33. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 17 miles west of Monument, New Mexico. Upon application of Thomas M. Beall, Carolyn R. Beall, Fuel Products, Inc., Pear Resources, and Gardenia Investments, Ltd., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.