MINUTES OF THE MEETING OF THE OIL CONSERVATION COMMISSION HELD ON AUGUST 25, 2011

The Oil Conservation Commission met at 9 o'clock a.m. on August 25, 2011, in Porter Hall, Wendell Chino Building, 1220 S. St. Francis Drive, Santa Fe, New Mexico.

PRESENT: SCOTT DAWSON, Member JAMI BAILEY, Chair

Commissioner Robert Balch participated by phone.

Cheryl Bada served as the Commission counsel.

The meeting was called to order by Chairman Bailey. The minutes of the July 28, 2011 Commission meeting were approved and adopted.

De Novo Case 14497, the application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico, to be heard De Novo upon the application of David H. Arrington Oil & Gas, Inc., was called and continued to the Commission meeting scheduled for September 22, 2011.

De Novo Case 14538, the application of Marshall & Winston, Inc. to cancel an operator's authority and terminate a spacing unit, and approve a change of operator, Lea County, New Mexico, to be heard De Novo upon the application of David H. Arrington Oil & Gas, Inc., was called and continued to the Commission meeting scheduled for September 22, 2011.

De Novo Case 14472, the application of COG Operating, LLC for cancellation of operator's authority and termination of spacing units, Yeso Energy, Inc. Dow "B" 28 Federal Well No. 1, Eddy County, New Mexico, and Case 14547, the application of the New Mexico Oil Conservation Division seeking an order authorizing the Oil Conservation Division to recognize an operator of record for wells currently operated by Yeso Energy, Inc., OGRID 221710, were called for final action. Ms. Bada explained that the final order was the same as the draft sent to and reviewed individually by the Commission on August 15. The Commission unanimously agreed to adopt the order. Order No. R-13294-C in De Novo Case 14472 and R-13309-C in Case 14547 was signed by the two Commissioners present at the meeting. The order was subsequently mailed to Commissioner Balch for his signature and returned to the Commission Clerk

The meeting was adjourned at 9:05 a.m.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JAMI BAILEY, Chair