

DOCKET: EXAMINER HEARING - THURSDAY – JULY 12, 2007

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 21-07 and 22-07 are tentatively set for July 26, 2007 and August 9, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE 13921: Continued and Readvertised

Application of the New Mexico Oil Conservation Division for a Compliance Order against Yeso Energy, Inc. The Applicant seeks an order finding the operator in violation of 19.15.4.201 NMAC as to six wells, determining that the violation is knowing and willful and imposing a penalty, requiring operator to bring the six wells into compliance with 19.15.4.201 NMAC by a date certain and authorizing the division to plug said wells in the event of non-compliance and forfeit the applicable financial assurance. The affected wells are: Connie C State #003, 30-015-25587, K-25-19S-28E, and Connie C State #004, 30-015-25648, B-25-19S-28E (located approximately 15 miles northeast of Carlsbad in Eddy County, New Mexico); Cortland Myers Unit #004; 30-025-11198, N-22-24S-37E and Knight #005, 30-025-20356, M-22-24S-37E (located approximately 5-10 miles north of Jal in Lea County, New Mexico); Las Cruces B #001, 30-041-00234, I-30-08S-37E (located within 5 miles of Milnesand in Roosevelt County, New Mexico); and Tracy 29 Federal #001, 30-015-28142, O-29-17S-31E (located within 5 miles of Maljamar in Eddy County, New Mexico).

CASE 13943: Continued from the June 21, 2007 Examiner Hearing

Application of Encore Operating, LP for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka and Morrow formations underlying the E/2 of Section 28, Township 16 South, Range 34 East, NMPM, Lea County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Atoka and Morrow formations. Said units are to be dedicated to Applicant's proposed Encore 28 State Com No. 1 Well to be drilled from a surface location 800' from the North line and 660' from the East line of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Encore Operating, LP or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 12 miles southwest of Artesia, New Mexico.

CASE 13946: **Application of Energen Resources Corporation for Compulsory Pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Fruitland Coal formation, (Basin-Fruitland Coal Gas Pool) underlying the W/2 of Section 13, Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, forming a standard 320-acre spacing and proration unit to be dedicated to the Navajo Lake Well No. 103. The well will be directionally drilled from surface location 780 feet from the North line and 2,600 feet from the East line of adjoining Section 24, penetrating the Fruitland Coal formation at a point no closer than 660 feet from the South line and 1,980 feet from the West line in the SW/4 of Section 13, with a bottom hole location in Section 13, 2,300 feet from the North line and 1,200 feet from the West line, all in Township 32 North, Range 6 West, NMPM, Rio Arriba County, New Mexico. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Energen Resources Corporation as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 4 miles south of Arboles, Colorado.

CASE 13947: Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation, in the N/2 of Irregular Section 5, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to form a 222-acre project area for a horizontal well. Said unit is to be dedicated to its Tiber A 5 Fee Well No. 1H to be horizontally drilled from a surface location 377 feet from the North line and 351 feet from the West line to a bottomhole location 912 feet from the North line and 660 feet from the East line of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles northwest of Artesia, New Mexico.