

PRELIMINARY DOCKET: COMMISSION MEETING -TUESDAY – JANUARY 22, 2008

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

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

Notice: The minutes of the December 6, 2007 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.

Locator Key for Cases

Case 13812 - No. 3
Case 13870 - No. 1
Case 13912 - No. 5
Case 13945 - No. 4
Case 13962 - No. 2
Case 14000 - No. 6

1. **CASE NO. 13870:** *(Continued from the December 6, 2007 Commission Meeting.)*
Application of Quest Cherokee, LLC for approval of an application for permit to drill, Lea County, New Mexico. Applicant seeks approval of an application for permit to drill its State 9-4 Well No. 1 in the NW/4 of Section 9, Township 18 South, Range 38 East, NMPM. The proposed well is located approximately 5 miles north-northwest of Hobbs, New Mexico. Upon application of Intervenors, this case has been set for emergency hearing by Division Director Mark E. Fesmire.
2. **CASE 13962:** *De Novo (Continued from the December 6, 2007 Commission Meeting.)*
Application by Gandy Corporation for Authorization to Inject. The Applicant has applied for a permit, and seeks approval, to reenter the Julia Culp No. 2 Well (API 30-025-30879, located at 2,310 FNL, 660 FEL, Section 34, Township 15 South, Range 35 East, Unit H, Lea County, New Mexico) for the purpose of injecting saltwater disposal fluids into the Devonian formation interval from 13,865 to 14,500 feet. A hearing on this application is set before the Oil Conservation Division Hearing Examiner, at 1220 South St. Francis Drive, Santa Fe, NM 87505, on the 26th day of July 2007, beginning at 8:15 a.m. Upon application of J&J Services, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1221.
3. **CASE 13812:** *De Novo (Continued from the December 6, 2007 Commission Meeting.)*
Application of Coleman Oil & Gas, Inc. for amendment of Administrative Order SWD-806-B, San Juan County, New Mexico. Applicant seeks an order amending the provisions of Administrative Order SWD-806-B which authorized the completion of the Juniper SWD Well No. 1 (API No. 30-045-29732) located 880 feet from the North line and 730 feet from the West line (Unit D) of Section 16, Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico for the injection of produced water for disposal purposes into the Mesaverde formation to eliminate the requirement for re-entering and re-plugging the Monument Well No. 1 (API No. 30-045-21912) located 1650 feet from the North line and 990 feet from the East line of Section 17, and the Monument Well No. 2 (API No. 30-045-21463) located 800 feet from the North and West lines of Section 16, both in Township 24 North, Range 10 West, NMPM, San Juan County, New Mexico. These wells are located approximately 23 miles southeast of Bloomfield, New Mexico. Upon application of Coleman Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1221.
4. **CASE 13945:** *De Novo*
Application of Occidental Permian LTD. for cancellation of a drilling permit, for determination of the right to drill, and approval of a drilling permit, Lea County, New Mexico. Applicant seeks an order canceling the drilling permit for the EOG Resources, Inc. Cimarron "17" State Well No. 1 located 1650 feet from the North

line and 330 feet from the West line (Unit E) of Section 17, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant also seeks a determination of its right to drill on the S/2 N/2, N/2 SW/4 and NE/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM and approval of its drilling permit for the OPL Desert Bighorn 17 State Well No. 1 to be drilled to the Bone Spring formation at a standard location in the SW/4 NW/4 (Unit E) of said Section 17 T-18-S, R-34-E. The subject lands are located approximately 12 ½ miles southeast of Maljamar, New Mexico. Upon application of Occidental Permian Ltd., this case will be heard De Novo pursuant to the provisions of Rule 1221.

5. **CASE 13912:** *De Novo*

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NW/4 of Section 17, Township 18 South, Range 34 East, NMPM, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the Cimarron "17" State Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 of Section 17. 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 12-1/2 miles southeast of Maljamar, New Mexico. Upon application of Occidental Permian Ltd., this case will be heard De Novo pursuant to the provisions of Rule 1221.

6. **CASE 14000:** *De Novo*

Application of Harvey E. Yates Company for expansion of a unit area, Otero County, New Mexico. Applicant seeks approval for the expansion of the Bennett Ranch Unit Area, originally approved by Division Order No. R-10527. The unit area, as expanded, comprises 11,637.09 acres of federal and state lands covering all of Sections 1-3, 10-15, 22-27, 35, and 36, Township 26 South, Range 12 East, NMPM, and Sections 18, 19, 30, and 31, Township 26 South, Range 13 East, NMPM. The unit area is centered approximately 32 miles east-northeast of the intersection of U.S. Highway with the Texas-New Mexico state line. Upon application of Harvey E. Yates Company, this case will be heard De Novo pursuant to the provisions of Rule 1221.