

PRELIMINARY DOCKET: COMMISSION MEETING -WEDNESDAY – APRIL 16, 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 March 12 and March 13, 2008 Commission Meetings 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 14015: The application of the New Mexico Oil Conservation Division for repeal of existing Rule 50 concerning pits and below grade tanks and adoption of a new rule governing pits, below grade tanks, closed loop systems and other alternative methods to the foregoing and amending other rules to make conforming changes.

***CASE NO. 13870:** *Application of Quest Cherokee, LLC for approval of an application for permit to drill, Lea County, New Mexico.*

* **CASE 13812:** *De Novo*
Application of Coleman Oil & Gas, Inc. for amendment of Administrative Order SWD-806-B, San Juan County, New Mexico.

Locator Key for Cases
Case 13912 - No.2
Case 13920 - No.4
Case 13945 - No.1
Case 14000 - No.3

1. **CASE 13945:** *De Novo (Continued from the March 13, 2008 Commission Meeting.)*
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.
2. **CASE 13912:** *De Novo (Continued from the March 13, 2008 Commission Meeting.)*
Application of EOG Resources, In (Continued from the January 22, 2008 Commission Meeting.)c. 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.

3. **CASE 14000:** *De Novo (Continued from the March 13, 2008 Commission Meeting.)*
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.
4. **CASE 13920:** *(re-opened and re-advertised) (Continued from the March 13, 2008 Commission Meeting.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas.
The Oil Conservation Commission will hear the Division's motion to re-open Case 13920 to clarify the responsibilities of the Division and Northstar under the terms of Order R-12779-A. The affected wells are: Barbara #001, 30-045-24263, P-12-29N-15W; Davie #001, 30-045-25092, M-2-29N-15W. The wells are located approximately 15 miles west of Farmington in San Juan County, New Mexico.