

DOCKET: EXAMINER HEARING - THURSDAY – MAY 15, 2008

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

Docket Nos. 17-08 and 18-08 are tentatively set for May 29, 2008 and June 12, 2008. 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.

<i>Locator Key for Cases</i>	
<i>Case 13940</i>	<i>- No. 20</i>
<i>Case 14005</i>	<i>- No. 2</i>
<i>Case 14024</i>	<i>- No. 7</i>
<i>Case 14062</i>	<i>- No. 9</i>
<i>Case 14099</i>	<i>- No. 13</i>
<i>Case 14100</i>	<i>- No. 18</i>
<i>Case 14101</i>	<i>- No. 19</i>
<i>Case 14111</i>	<i>- No. 3</i>
<i>Case 14117</i>	<i>- No. 1</i>
<i>Case 14118</i>	<i>- No. 4</i>
<i>Case 14119</i>	<i>- No. 5</i>
<i>Case 14120</i>	<i>- No. 6</i>
<i>Case 14121</i>	<i>- No. 8</i>
<i>Case 14122</i>	<i>- No. 10</i>
<i>Case 14123</i>	<i>- No. 11</i>
<i>Case 14124</i>	<i>- No. 12</i>
<i>Case 14125</i>	<i>- No. 14</i>
<i>Case 14126</i>	<i>- No. 15</i>
<i>Case 14127</i>	<i>- No. 16</i>
<i>Case 14128</i>	<i>- No. 17</i>

1. ***CASE 14117: Application of the New Mexico Oil Conservation Division, Through the Enforcement and Compliance Manager, for a Compliance Order against STAR ACQUISITION VII, LCC.*** Finding that Operator knowingly and willfully violated Rule 50.A [19.15.2.50.A NMAC] as to one well and Assessing Monetary Penalties for Those Violations Pursuant to NMSA §70-2-14(B), and ordering that Operator Plug and Abandon All Wells that it Operates in New Mexico by a date certain. The well at issue in this Application is identified as follows:

Jicarilla 71 #25: API # 30-039-23416 - Unit Letter A, Section 9, Township 23 North, Range 4 West, Rio Arriba County, NM.

The subject well is located approximately 8 miles northeast of Counselor, NM, about 2 miles north of the Sandoval County line in Rio Arriba County, New Mexico.

2. ***CASE 14005: (Continued from the March 20, 2008 Examiner Hearing.) Application of the New Mexico Oil Conservation Division for a Compliance Order against Tucumcari Exploration, LLC Quay County, New Mexico.*** The Applicant seeks an Order requiring Operator in fact, Tucumcari Exploration, LLC ("Tucumcari") to properly and fully register as Operator of record for the seven (7) wells described herein, and for an Order further requiring Tucumcari to bring the seven (7) subject wells into compliance, or alternatively authorizing the division to plug the wells and forfeit any applicable/available security in the event that Tucumcari fails to comply, and assessing an appropriate civil penalty, and for such other relief as the Director deems appropriate. The wells involved in this matter include the following:

ANNA KATHERYN #001	3-19-10N-27E	30-037-20051
ANNA KATHERYN #002	1-30-10N-27E	30-037-20052
JOHN DAVID #001	G-19-10N-27E	30-037-20053
JOHN DAVID #002	J-19-10N-27E	30-037-20054
RANDALS #005	D-20-10N-27E	30-037-20055
RANDALS #006	P-30-10N-27E	30-037-20056
RANDALS #007	F-29-10N-27E	30-037-20057

3. **CASE 14111:** *(Continued from the April 17, 2008 Examiner Hearing.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order finding that Pogo Producing Company is in violation of 19.15.1.40.A(2) NMAC based on its failure to comply with an order requiring corrective action, imposing penalties for the knowing and willful failure to file corrected production reports as required by agreed compliance order 214, and for such other relief as the Director deems appropriate. The affected well is the Resler B #001, 30-025-36573, J 20-23S-R37E, in Lea County, New Mexico. The well is located less than five miles north of Teague.

4. **CASE 14118: Application of XTO Energy, Inc. for compulsory pooling, San Juan County, New Mexico.**
Applicant seeks an order pooling all mineral interests to the Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying both the NE/4 and the N/2 of Section 28, T29N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool and forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs formation, including but not limited to the Fulcher Kutz Pictured Cliffs Gas Pool. These units are to be dedicated its Masden Selby Well No. 2R (API# 30-045-pending) to be drilled at a standard location in Unit G of this section for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Fulcher Kutz Pictured Cliffs Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1 mile East-Southeast from Bloomfield, New Mexico.

5. **CASE 14119: Application of Burlington Resources Oil & Gas Company LP for an exception to the well density requirements of the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico.** Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following 3 Mesaverde gas wells in the same quarter section (SW/4) on a standard spacing and proration unit comprised of the W/2 of Section 26, T29N, R7W, NMPM:
 - (a) the San Juan Unit 29-7 Well No. 58N (API #30-039-2585700) surface location 2485 feet FNL and 2075 feet FWL (Unit F) and sub-surface location 2600 feet FSL and 1990 feet FWL of this section;(The subject wellbore)
 - (b) the San Juan Unit 29-7 Well No. 58 (API # 30-039-07556) located 840 feet FSL and 890 feet FWL (Unit M); and
 - (c) the San Juan Unit 29-7 Well No. 58M (API # 30-039-26618) located 1130 feet FSL and 1845 feet FWL (Unit N).

The forth wellbore is located in the NW/4 section of this spacing unit and is the San Juan 29-7 Unit Well No. 58A (API #30-039-25617) located 790 feet FNL and 790 feet FWL (Unit D) of this section;

These wells are located approximately 5 miles southeast of the Navajo City, New Mexico.

6. **CASE 14120: Application of Targa Midstream Services L.P. for Approval of an Acid-Gas Injection Well, Lea County, New Mexico.** Applicant seeks approval to convert the following salt water disposal well for use for acid-gas injection operations: