

FINAL DOCKET: COMMISSION MEETING -FRIDAY – MAY 9, 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 April 16, 2008 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.

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 13920: *Reopened*

Application of the New Mexico Oil Conservation Division for a Compliance Order against Northstar Oil & Gas.

1. **CASE 14000:** *De Novo (Continued from the April 16, 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.

2. **CASE 14047:** *De Novo (This case will be continued to the July 17, 2008 Commission Meeting.)*
Application of Celero Energy II, L.P. for expansion of a waterflood project, Chaves County, New Mexico.
Applicant seeks approval to expand the Caprock-Queen Waterflood Project (Caprock-Queen Pool), originally approved by Oil Conservation Commission Order Nos. R-1456 and R-2470, by the injection of water into twenty wells located on a federal lease covering all of Section 4, the E/2 E/2 of Section 5, and all of Section 9, Township 14 South, Range 31 East, N.M.P.M. The project is located approximately 29 miles east of Hagerman, New Mexico. Upon application of Celero Energy II, L.P., this matter will be heard *De Novo* pursuant to the provisions of Division Rule 1221.

3. **CASE 14055:** *De Novo (This case will be continued to the June 19, 2008 Commission Meeting.)*
Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company. The Applicant seeks an Order finding that Operator is in violation of 19.15.13.1115 NMAC and 19.15.4.201 NMAC as to seventeen wells, requiring Operator to bring the seventeen wells into compliance with 19.15.13.1115 NMAC and 19.15.4.201 NMAC by a date certain, authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event of non-compliance, and assessing penalties. The affected wells are:
 - Amoco No. 001; L-13-17S-27E; 30-015-24738
 - Muncy Federal No. 001; F-13-17S-27E; 30-015-23083
 - Muncy Federal No. 002; E-13-17S-27E; 30-015-25012
 - Saunders No. 012; O-13-17S-27E; 30-015-22348

- Michael State No. 001; H-25-17S-27E; 30-015-24877
- Schneider No. 001; J-24-17S-27E; 30-015-22907
- Scott Federal No. 001; P-12-17S-27E; 30-015-25437

These wells are located approximately 10 miles west of Loco Hills, in Eddy County, New Mexico.

- Hastie No. 016; 4-18-17S-28E; 30-015-22371
- Hastie No. 017; 3-18-17S-28E; 30-015-22852
- Hastie No. 018; N-18-17S-28E; 30-015-22848
- Hastie No. 019; 2-18-17S-28E; 30-015-23186
- Hastie No. 020; 1-18-17S-28E; 30-015-23516
- Hastie No. 021; C-18-17S-28E; 30-015-23821

These wells are located approximately 8 miles west of Loco Hills, in Eddy County, New Mexico.

- Shearn Becky Federal No. 001; B-14-17S-27E; 30-015-34440
- Shearn Freedom Federal No. 002; A-14-17S-27E; 30-015-34454
- Shearn Samantha Federal No. 001; G-14-17S-27E; 30-015-31059
- Shearn Shilo Federal No. 001; B-14-17S-27E; 30-015-31061

These wells are located approximately 11 miles west of Loco Hills, in Eddy County, New Mexico. Upon application of C&D Management Company d/b/a Freedom Ventures Company, this case will be heard De Novo pursuant to the provisions of Division Rule 1221.