

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 6, 2009

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

Docket Nos. 29-09 and 30-09 are tentatively set for August 20, 2009 and September 3, 2009. 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.

Locator Key for Cases

Case 14311 - No. 9
Case 14322 - No. 10
Case 14329 - No. 8
Case 14331 - No. 1
Case 14334 - No. 6
Case 14337 - No. 7
Case 14355 - No. 2
Case 14356 - No. 3
Case 14357 - No. 4
Case 14358 - No. 5

1. **CASE 14331: (re-advertised) (This case will be continued to the August 20, 2009 Examiner Hearing.)**
First Amended Application of XTO Energy, Inc. for compulsory pooling and downhole commingling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs/Chacra formations underlying the NE/4 of Section 24, T29N, R10W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs/Chacra formations, including but not limited to the Aztec-Pictured Cliffs Gas Pool. This unit is to be dedicated its Martinez Gas Com D Well No. 001R (API# 30-045-34063) drilled but not completed at a standard location in Unit B of this section. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs between the Pictured Cliffs and the Chacra formation 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. In addition, Applicant seek approval to downhole commingle production in the Pictured Cliffs with the Chacra formations, including the allocation of production, accordance with Division Rule 19.15.12.11. This unit is located approximately 1/3 mile Southeast from Blanco, New Mexico.
2. **CASE 14355: Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to establish a special transition area, including administrative procedures for expansion and the modification of the Special Rules and Regulations for the Basin Fruitland Coal-Gas Pool within this area for certain non-standard gas spacing and proration units along the border between New Mexico and Colorado, all within San Juan County, New Mexico.**
Applicant seeks to modify these Rules in order to provide the necessary flexibility within New Mexico so that Fruitland coal-gas wells may be drilled to protect the common boundary between these two states and to provide a transition ("buffer") between this area and the balance of this pooling within New Mexico. This special transition area shall include Sections 7, 8, 9 of T32N R7W, Sections 7-12 of T32N R8W and Sections 9-12 of T32N R9W. The western end of this area is located approximately 4 miles East of the point where highway 550 crosses into Colorado and Eastern end of this area is located approximate 4 miles East of the point where highway 511 crosses into Colorado, all within San Juan County, New Mexico.
3. **CASE 14356 (Amended and Readvertised): Application of Energen Resources Corporation to Amend Order No. R-10448 to Authorize the Injection of Water for Pressure Maintenance Operations for the West Lovington-Strawn Unit, Lea County, New Mexico.** Applicant seeks approval to convert the following well for the injection of water in connection with pressure maintenance operations in the West Lovington Strawn Unit:

West Lovington Strawn Unit Well No. 8-R

API No. 30-025-32291-01

1980' from the south line and 660' from the west line (Unit L)

Section 34

T-15-S, R-35-E, NMPM

Applicant proposes to convert and utilize the well for injection of water through a closed system into the Strawn formation, West Lovington Strawn Pool, through perforations at depths of 11,520' to 11,592'. Injection operations will be conducted at an anticipated average daily injection pressure of 850 psi with a maximum surface injection pressure of 1,950 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 4,000 bbls and at maximum daily rates of approximately 5,000 bbls. The source of the injected fluids will be produced water from area Strawn formation wells. The well is located approximately 2 ½ miles Northwest of Lovington, New Mexico.

4. **CASE 14357: Application of Mack Energy Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order creating a non-standard spacing and proration unit in the Abo formation, Undesignated County Line Tank-Abo Pool, comprised of the N/2 S/2 of Section 10, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and pooling all interests in the N/2 S/2 of said Section 10, pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for the Mack Energy Corporation Jet Federal Com Well No. 1 (API No. 30-015-36529) to be drilled as a horizontal well in the Abo formation from a surface location 2210 from the South line and 330 feet from the West line of said Section 10 and then in the Abo formation in a easterly direction to a terminus at a point 2285 feet from the South line and 330 feet from the East line the Section. Also to be considered will be the cost of drilling and completing these wells as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling these wells. Said area is located approximately 10 miles Northwest of Loco Hills, New Mexico.
5. **CASE 14358: Application of EOG Resources, Inc. for a nonstandard spacing and proration unit, Eddy County, New Mexico.** Applicant seeks an order creating a non-standard spacing and proration unit for a 160-acre horizontal well project are comprised of the N/2 NE/4 of Section 18 and the N/2 NW/4 of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. EOG proposes to dedicate this non-standard spacing units to its Sand Tank "18" Federal Com Well No. 2H to be drilled to the Bone Spring formation from a surface location 430 feet from the North line and 2260 feet from the East line of said Section 18 and then drilled in an easterly direction to a bottomhole location 430 feet from the North line and 2310 feet from the West line of said Section 17. This non-standard unit is located approximately 4.5 miles South of Loco Hills, New Mexico.
6. **CASE 14334: (Continued from the June 25, 2009 Examiner Hearing)**
Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. To: Beatrice Anderson and Juliette Condon or their successors, heirs or devisees. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation in the following described project area located in the N/2 NE/4 of Section 18 and the N/2 NW/4 of Section 17, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico to form a 160-acre project area in the Bone Spring formation. Said unit is to be dedicated to its Sand Tank 18 Fed Com No. 2H to be drilled from a surface location 430 feet from the North line and 2260 feet from the East line of said Section 18 and a bottomhole location 430 feet from the North line and 2310 feet from the West line of said Section 17. 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 4.5 miles south of Loco Hills, New Mexico.
7. **CASE 14337 (Amended and Readvertised) (This case has been continued indefinitely.)**
Application of Nacogdoches Oil and Gas, Inc. for approval of a water disposal well and an exception to Division Rules NMAC 19.15.5.9 and 19.15.26.8, McKinley County, New Mexico. Applicant seeks an order approving water disposal into the Entrada formation in the South Hospah Unit Well No. 9, located 330 feet from the north line and 2051 feet from the East line of Section 12, Township 17 North, Range 9 West, NMPM. Applicant further requests an exception to Division Rules NMAC 19.15.5.9 and 19.15.26.8 to allow it to convert the subject well to disposal even though it has not satisfied Division compliance rules. The well is located approximately 30 miles Northeast of Thoreau, New Mexico.
8. **CASE 14329: (Continued from the July 9, 2009 Examiner Hearing.)**
(This case will be continued to the August 20, 2009 Examiner Hearing.)
Application of Anadarko Petroleum Corporation for approval of an acid gas injection well, San Juan County, New Mexico. Applicant seeks approval to drill an acid gas injection well at its Kirtland New Mexico site. The well will be drilled 1650 feet from the North line and 2310 feet from the West line in Unit F of Section 1, Township 29 North, Range 15