## Examiner Hearing -October 29, 2009 Docket No. 38-09 Page 2 of 6

- 2. <u>CASE 14393</u>: Application of the New Mexico Oil Conservation Division for a Compliance Order against MARKS AND GARNER PRODUCTION LTD. CO. The Applicant seeks an order finding as to 11 wells the operator (1) has violated OCD Rules 19.15.2.8, 19.15.29.6, 19.15.29.9, 19.15.29.10 NMAC and (2) is currently in violation of OCD Rules 19.15.29.11 and 19.15.30.9(A); finding that as to 4 of those 11 wells, (3) operator is currently additionally in violation of OCD rules 19.15.29.9 and 19.15.29.10 NMAC; (4) requiring the operator to bring all 11 wells into compliance with OCD Rules 19.15.29.9, 19.15.29.10 and 19.15.29.11 NMAC by a date certain and (5) ordering that in the event it fails to do so, the operator shall either plug and abandon or transfer all wells it currently operates in New Mexico by a date certain, or the wells shall be deemed abandoned and the Division authorized to plug the wells. The 11 wells specifically addressed by the Application are all located in Eddy County and are as follows:
  - •Levers Federal 007; 30-015-25091 •Levers 003y; 30-015-02787 •Red Twelve Federal 001; 30-015-25058 •Cave State 004; 30-015-24742 •Red Twelve State 002; 30-015-24966 •Red Twelve State 003; 30-015-24989 •Red Twelve State 004; 30-015-24991 •Diamond State 002; 30-015-24760 •Red Twelve State 001; 30-015-24962 •Red State 001; 30-015-24855 •Mosley Spring 32 State Com 002; 30-015-23341

With the exception of the Mosley Spring 32 State Com) 002, which is located approximately 14 miles SW of Carlsbad, NM, the wells are all located between approximately 16 and 19 miles E/ENE of Artesia, NM.

- 3. <u>CASE 14394</u>: Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to expand the horizontal limits of the Ute Dome-Paradox Gas Pool to include all of Section 23, T32N R14W and the concomitant contraction of the Barker Dome-Paradox Pool, the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismay Pool, San Juan County, New Mexico. This section is located within the Ute Mountain Ute Reservation approximately 6 miles Northwest of LaPata, New Mexico.
- 4. <u>CASE 14395</u>: Application of XTO Energy Inc, to terminate the South Blanco-Tocito Oil Pool, including its special rules and regulations, and to expand the Basin-Mancos Gas Pool and for an exception to Rule 19.15.12.9 NMAC to permit downhole commingling of production from Tocito formation, now Mancos, with Dakota production, Rio Arriba County, New Mexico. Applicant requests that the Division enter an order terminating the South Blanco-Tocito Oil Pool (Pool ID #6460) including its special rules and regulations and expanding the Basin-Mancos Gas Pool (Pool ID#97232) to include all acreage that was dedicated to the South Blanco Tocito Oil Pool. Applicant also seeks an exception to Rule 19.15.12.9 NMAC to permit downhole commingling of production from Tocito formation, now Mancos, with Dakota production. The southwest corner of this pool is located approximately 4 miles Southwest from the El Paso Natural Gas Company Largo station on NM Highway 403, New Mexico.
- 5. CASE-14396: Application of OGX Resources, LLC for approval of a salt water disposal well, Lea County, New Mexico. Applicant seeks an order approving disposal of produced salt water into the Delaware formation in the Turquoise 30 Fed. Well No. 1, located 1930 feet from the North line and 1980 feet from the West line of Section 30, Township 24 South, Range 32 East, NMPM, at depths of 4700-5975 feet subsurface. The well is located approximately 31 miles West-Northwest of Jal, New Mexico.
- 6. CASE 14389: (Continued from the October 15, 2009 Examiner Hearing.)
  Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the SE/4 NW/4 of Section 14, Township 20 South, Range 25 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent, including the Undesignated Cemetery-Yeso Pool and Undesignated North Seven Rivers Glorieta-Yeso Pool. The unit is to be dedicated to the proposed Quick Draw "14" F Federal Well No. 1, to be drilled at an orthodox location in the SE/4 NW/4 of Section 14. 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 3 miles southwest of Seven Rivers, New Mexico.