

PRELIMINARY DOCKET: COMMISSION MEETING –THURSDAY – JULY 16, 2009

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 June 18, 2009 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 Case 13957 De Novo, the Amended Application of Energen Resources Corporation to Amend the Cost Recovery Provisions of Compulsory Pooling Order No. R-1960, To Determine Reasonable Costs, and for Authorization To Recover Costs From Production Of Pooled Mineral Interests, Rio Arriba County, New Mexico.

<p><i>Locator Key for Cases</i> <i>Case 14055 – No. 1</i> <i>Case 14134 – No. 4</i> <i>Case 14141 – No. 5</i> <i>Case 14149 – No. 2</i> <i>Case 14150 – No. 3</i> <i>Case 14278 – No. 6</i></p>

1. **CASE 14055:** (Continued from the June 18, 2009 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 Oil Conservation Commission will hear the Division's Motion to Re-Open Case, which requests the Order be amended to require C&D Management Company to plug and abandon its wells by a date certain for non-compliance with 19.15.7.24 NMAC (formerly 19.15.13.1115 NMAC), Division authorization to plug and abandon the wells and forfeit the applicable financial assurance in event of Operator's non-compliance, and finding an assessed \$5,000.00 civil penalty is due and owing.

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

Commission Meeting – July 18, 2009

Docket No. 25-09

Page 2

- 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.

2. ***CASE 14149: De Novo (Continued from the June 18, 2009 Commission Meeting.)***

Application of El Paso E&P Company, L.P. to abolish the Van Bremmer Canyon-Vermejo Gas Pool, expand the Castle Rock Park-Vermejo Gas Pool, and to establish special rules and regulations for the Castle Rock Park-Vermejo Gas Pool, Colfax County, New Mexico. Applicant seeks an order (i) abolishing the Van Bremmer Canyon-Vermejo Gas Pool, (ii) expanding the horizontal extent of the Castle Rock Park-Vermejo Gas Pool to include acreage formerly within the Van Bremmer Canyon-Vermejo Gas Pool, (iii) expanding the horizontal extent of the Castle Rock Park-Vermejo Gas Pool to include additional acreage, and (iv) instituting special rules and regulations for the Castle Rock Park-Vermejo Gas Pool, including: (a) 160 acre well units; (b) wells to be located no closer than 10 feet to a quarter section line or an interior quarter-quarter section line; (c) two wells per well unit, subject to the directional drilling provisions of NMAC 19.15.3.111; (d) an administrative procedure for an exception to the well density provisions of the pool rules; and (e) a buffer zone where wells must be located in accordance with the Division's statewide well location rules. The Castle Rock Park-Vermejo Gas Pool, as expanded, will include the following lands:

Township 29 North, Range 18 East, N.M.P.M.

Sections 1-3: All
Section 4: NE $\frac{1}{4}$
Section 10: E $\frac{1}{2}$
Sections 11-14: All
Sections 23-25: All

Township 29 North, Range 19 East, N.M.P.M.

Section 3: W $\frac{1}{2}$
Sections 4-9: All
Section 10: SW $\frac{1}{4}$
Section 16: W $\frac{1}{2}$
Sections 17-20: All
Section 21: W $\frac{1}{2}$
Section 30: NW $\frac{1}{4}$

Township 30 North, Range 17 East, N.M.P.M.

Sections 1-3: All
Section 9: SE $\frac{1}{4}$
Sections 10-16: All
Section 17: NE $\frac{1}{4}$
Section 21: N $\frac{1}{2}$
Section 22: N $\frac{1}{2}$
Section 23: N $\frac{1}{2}$
Section 24: All

Township 30 North, Range 18 East, N.M.P.M.

Sections 3-29: All
Section 30: N $\frac{1}{2}$ and SE $\frac{1}{4}$
Section 32: N $\frac{1}{2}$ and SE $\frac{1}{4}$
Sections 33-36: All