

PRELIMINARY DOCKET: COMMISSION MEETING –THURSDAY – JUNE 18, 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 May 27, 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 on Case 14292, the application of the New Mexico Oil Conservation Division for Adoption of Amendments to Rule 19.15.17 (the "Pit Rule"); Statewide.

Final action may be taken on Case 14255, the Application of the New Mexico Oil Conservation Division, through its Environmental Bureau Chief, for adoption of an amendment to 19.15.39 NMAC adding new sections to be codified at 19.15.39.9 and 19.15.39.10 NMAC addressing special provisions for Santa Fe County and the Galisteo Basin, Santa Fe, Sandoval and San Miguel Counties, New Mexico.

Proposed Findings of Fact and Conclusions of Law will be submitted 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.

*Locator Key for Cases
Case 14055 – No. 1
Case 14116 – No. 4
Case 14149 – No. 2
Case 14150 – No. 3*

I. ~~CASE 14055~~: (Continued from the May 27, 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 |

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Docket No. 22-09

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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.

2. ***CASE 14149: De Novo (Continued from the May 27, 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