

PRELIMINARY DOCKET: COMMISSION MEETING –THURSDAY – JUNE 17, 2010

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 20, 2010 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 14055:** Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company.*

Locator Key for Cases

Case 13812 – No. 1
 Case 14323 – No. 4
 Case 14365 – No. 2
 Case 14366 – No. 3
 Case 14382 – No. 5
 Case 14418 – No. 6
 Case 14463 – No. 7

1. **CASE 13812: (De Novo)** (Continued from the May 20, 2010 Commission Meeting.)
Application of Coleman Oil & Gas, Inc. for the rescission of De Novo Order No. R-12820-A, San Juan County, New Mexico. Applicant requests that De Novo Order No. R-12820-A be rescinded in its entirety or that the Commission no longer require Coleman to re-enter and recomplete the Monument Well No. 1 (API No. 30-045-21912) located 1650 feet from the North line and 990 feet from the East line of Section 17, Township 24 North, Range 10 West, NMPM.
2. **CASE 14365: (De Novo)** (Continued from the May 20, 2010 Commission Meeting.)
Application of COG Operating LLC for designation of a non-standard spacing unit and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 1-H). Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the S/2 S/2 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 1-H to be drilled horizontally from a surface location 430 feet from the South line and 430 feet from the West line to a bottomhole location 330 feet from the South line and 330 feet from the East line to a depth sufficient to test the Abo/Wolfcamp formation. 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles Northwest of Loco Hills, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
3. **CASE 14366: (De Novo)** (Continued from the May 20, 2010 Commission Meeting.)
Application of COG Operating LLC for designation of a non-standard spacing unit, unorthodox well location, and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 2-H). Applicant seeks an order consolidating the 40-acre spacing units within the NE/4 SW/4 and N/2 SE/4 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit for an unorthodox well location in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the NE/4 SW/4 and N/2 SE/4 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 2-H to be drilled horizontally from an unorthodox surface location 1880 feet from the South line and 1590 feet from the West line to a bottomhole location 1650 feet from the South line and 330 feet from the East line to a depth sufficient to test the

Abo/Wolfcamp formation. 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles Northwest of Loco Hills, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.

4. **CASE 14323: (De Novo) (Continued from the May 20, 2010 Commission Meeting.)**
Application of Chesapeake Energy Corporation for cancellation of a permit to drill (“APDs”) issued to COG Operating LLC, Eddy County, New Mexico. Applicant seeks an order cancelling the Division’s approval of the following application for permit to drill (“APD”) issued to COG Operating LLC (“COG”), API 30-015-36541 for the Blackhawk “11” Federal Com #1H Well, a horizontal wellbore with a surface location in Unit M and a subsurface location in Unit P of Section 11, Township 16 South, Range 28 East, Eddy County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2 S/2 of this section. This unit is located approximately 15 miles Northeast of Artesia, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
5. **CASE 14382: (Continued from the May 20, 2010 Commission Meeting.)**
Application of Chesapeake Energy Corporation for cancellation of a permit to drill (“APDs”) issued to COG Operating LLC, Eddy County, New Mexico. Applicant seeks an order canceling the Division’s approval of the following application for permit to drill (“APD”) issued to COG Operating LLC (“COG”): API 30-015-37106 for the Blackhawk “11” Federal Com #2-H Well, a horizontal wellbore with a surface location in Unit K and a bottom-hole location in Unit I of Section 11, T16S, R28E, Eddy County and to be dedicated to a non-standard 120-acre spacing unit consisting of the NE/4SW/4 & N/2SE/4 of this section. This unit is located approximately 16 miles Northeast of Hagerman, New Mexico.
6. **CASE 14418: (De Novo) (Continued from the May 20, 2010 Commission Meeting.)**
Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Cimarex Energy Co. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 21, Township 19 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Bone Spring formation underlying (i) the NW/4 NW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the W/2 W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Penny Pincher 21 Fed. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the NW/4 NW/4, with a terminus at an orthodox location in the SW/4 SW/4, of Section 21. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 13 miles South-Southeast of Loco Hills, New Mexico. Upon application of Lynx Petroleum Consultants, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.
7. **CASE 14463: (Continued from the May 5, 2010 Special Examiner Hearing.)**
Amended Application of Williams Production Co., LLC for Approval Of A Closed Loop System For The Rosa SWD Well No. 2 And For The In-Place Burial Of Drilling Wastes At Another Well Location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a closed loop system at the Rosa SWD Well No. 2 (API No. 30-039-30812) located in Section 25, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico and to haul the waste to an approved temporary pit at a nearby well location for on-site burial. Said area is located approximately 20 miles East of Navajo Dam, New Mexico.