

Upon application of Kelly H. Baxter, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 12828: De Novo – (This case will be continued to the January Commission hearing.)**

**Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 1, Township 15 South, Range 34 East, and in the following manner: the NE/4 NE/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated North Morton-Permo Pennsylvanian Pool and Undesignated Morton-Wolfcamp Pool; the N/2 NE/4 of Section 1 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated Morton-Lower Wolfcamp Pool; the NE/4 of Section 1 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the E/2 of Section 1 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Gas Pool. The units are to be dedicated to applicant's Big Black Ant Well No. 1, to be drilled at an orthodox location in the NE/4 of Section 1. 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 charge for the risk involved in drilling and completing the well. The units are located approximately 9½ miles northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 12897: For consideration of clerical corrections to text of the rule.**

**Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief, for the Adoption of Amendments to Division Rule 118 (Hydrogen Sulfide Gas).** The Division proposes to repeal existing Rule 118 (Hydrogen Sulfide Gas) and to adopt new Rule 52 (Hydrogen Sulfide Gas) in lieu thereof. The proposed rule prescribes precautionary and warning measures, and requires contingency plans to provide for management of releases of hydrogen sulfide gas. The proposed rule will apply statewide.

**FINAL DOCKET: COMMISSION HEARING**  
**FRIDAY – DECEMBER 13, 2002**

9:00 A.M. – Porter Hall  
 1220 So. St. Francis Drive  
 Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey.

**Notice:** The minutes of the October 21, October 25, October 29 and November 22, 2002, Commission hearings 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 12734:** De Novo

Application of Richardson Operating Company to establish a Special "Infill Well" Area within the Basin-Fruitland Coal Gas Pool as an exception from Rule 4 of the special rules for this pool, San Juan County, New Mexico.

**CASE 12935:** Application of the New Mexico Oil Conservation Division to Amend Rules 303.B (Surface Commingling), Rule 309-B (Administrative Approval, Lease Commingling), and Rule 309-C (Administrative Approval, Off-Lease Storage), and to Make Conforming Amendments to Rule 303.A (Segregation Required) and to Rule 309-A (Central Tank Batteries – Automatic Custody Transfer Equipment).

**CASE 12792:** De Novo – (This case will be continued to the January Commission hearing.)

Application of the New Mexico Oil Conservation Division for an Order Requiring Kelly H. Baxter to Properly Plug Seven (7) Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Kelly H. Baxter or His Surety, and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico. The Applicant seeks an order requiring Kelly H. Baxter, the operator of seven (7) inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said wells if the operator or its sureties fails to do so, forfeiting Operator's plugging bond, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API No.	Well Name & No.	Type	Stat	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-025-21925	State FP No. 1	O	A	S	O	23	16	S	33	E
30-025-25238	Wallen Fee No. 1	O	A	P	D	28	20	S	34	E
30-025-25283	Wallen Fee No. 2	O	A	P	C	28	20	S	34	E
30-025-27961	State 26 No. 1	S	A	S	B	26	12	S	32	E
30-025-28227	State WES No. 1	O	S	S	A	20	14	S	33	E
30-025-29664	Speight No. 1	O	A	P	A	15	13	S	38	E
30-025-29935	Speight No. 2	S	A	P	H	15	13	S	38	E