

**PRELIMINARY DOCKET: COMMISSION HEARING - THURSDAY – FEBRUARY 27, 2003**

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

Land Commissioner, Patrick Lyons, may designate Jami Bailey as his representative for this hearing, or may participate himself.

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**Notice:** The minutes of the December 19, 2002, Commission hearing will be adopted.

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**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.

The Oil Conservation Commission will adopt its annual open meetings resolution pursuant to the New Mexico Open Meetings Act, 10-15-1.D.NMSA 1978.

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**CASE 13013:** Application of the New Mexico Oil Conservation Division for Amendment of Rule 711 [Applicable to Surface Waste Management Facilities Only]

The New Mexico Oil Conservation Division has applied to the Oil Conservation Commission to amend Rule 711 [Applicable to Surface Waste Management Facilities Only] to authorize commercial waste management facilities regulated by the Division to accept non-hazardous, non-oilfield wastes for disposition with prior Division approval. Application of the proposed amendment is STATEWIDE.

**CASE 12905:** De Novo

**Application of Pronghorn Management Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico.** Applicant seeks approval to utilize its State "T" Well No. 2 (API No. 30-025-03735) located 4290 feet from the South line and 500 feet from the West line, (Unit L) Section 6, Township 16 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 6000 feet to 6400 feet. This well is located approximately 2 miles west of Lovington, New Mexico.

Upon application of Pronghorn Management Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 12792:** De Novo – Continued from December 13, 2002, 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

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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

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

**CASE 12862: De Novo**

**Application of the New Mexico Oil Conservation Division for an Order Requiring N. Dale Nichols to Bring Eight (8) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Chaves County, New Mexico.** The Applicant seeks an order requiring N. Dale Nichols, the operator of 8 inactive wells located in Chaves County, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

Well Name	API No.	ULSTR
Avalanche Journal State #4	30-005-10471	K-04-08S-27E
Lewis Neff #3	30-005-10432	P-32-07S-27E
Lewis Neff #4	30-005-00224	O-32-07S-27E
Linx #1	30-005-62160	G-19-08S-29E
Standard State #3	30-005-10429	2-05-08S-27E
Standard State #6Y	30-005-10513	G-05-08S-27E
State A #2	30-005-00232	P-07-08S-27E
Alma Shields #4	30-005-62567	N-33-07S-27E

Upon application of N. Dale Nichols, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 12828: De Novo – Continued from December 13, 2002, 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-Permian 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