

**DOCKET: EXAMINER HEARING - THURSDAY – JUNE 23, 2011**

8:15 A.M. - 1220 South St. Francis  
Santa Fe, New Mexico

Docket Nos. 17-11 and 18-11 are tentatively set for July 7, 2011 and July 21, 2011. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

***Locator Key for Cases***

***Case 14551 – No. 27***  
***Case 14602 – No. 10***  
***Case 14627 – No. 28***  
***Case 14628 – No. 29***  
***Case 14629 – No. 30***  
***Case 14633 – No. 24***  
***Case 14634 – No. 25***  
***Case 14642 – No. 13***  
***Case 14651 – No. 6***  
***Case 14652 – No. 7***  
***Case 14653 – No. 4***  
***Case 14658 – No. 15***  
***Case 14659 – No. 22***  
***Case 14660 – No. 19***  
***Case 14661 – No. 20***  
***Case 14663 – No. 1***  
***Case 14664 – No. 2***  
***Case 14665 – No. 3***  
***Case 14666 – No. 5***  
***Case 14667 – No. 8***  
***Case 14668 – No. 9***  
***Case 14669 – No. 11***  
***Case 14670 – No. 12***  
***Case 14671 – No. 14***  
***Case 14672 – No. 16***  
***Case 14673 – No. 17***  
***Case 14674 – No. 18***  
***Case 14675 – No. 21***  
***Case 14676 – No. 23***  
***Case 14677 – No. 26***

1. **CASE 14663:** *Application of Williams Production Co., LLC for An Exception to the Special Rules and Regulations for the Basin Mancos Gas Pool for Increased Well Density in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico.* Applicant seeks exceptions to the Special Rules and Regulations for the Basin Mancos Gas Pool to allow up to 8 Mancos wells per 320-acre spacing unit in the Rosa Unit, San Juan and Rio Arriba Counties. Said area is located approximately 9 miles Southeast of Arboles, Colorado.
2. **CASE 14664:** *Application of Frontier Field Services, LLC for authority to inject, Lea County, New Mexico.* Frontier Field Services, LLC requests an order from the NM Oil Conservation Division authorizing it to inject acid gas and carbon dioxide (CO<sub>2</sub>) from the Maljamar Processing Plant into its proposed Maljamar AGI#1 well. The well will be located in Section 21, Township 17 South, Range 32 East, NMPM, in Lea County, New Mexico. Frontier Field Services seeks approval to drill and complete a well for injection of acid gas and CO<sub>2</sub> into the lower Leonard and Wolfcamp formations in injection intervals approximately from 9300 feet to 10000 feet, and approval of a maximum injection pressure of 2973 psi and a maximum daily injection rate of 2MMCFD. The proposed Maljamar AGI #1 will be located approximately three (3) miles South of the town of Maljamar, New Mexico.
3. **CASE 14665:** *Application of Nearburg Producing Company for Designation of a Non-standard Spacing Unit and Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order consolidating the 40-acre spacing units within the E/2 E/2 of Section 26, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and

proration unit in the Glorieta-Yeso formation, Seven Rivers-Yeso pool (55670), for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the E/2 E/2 of Section 26 to be dedicated to its Morris-Boyd 26 No. 1-H Well to be drilled horizontally from a standard surface location 330' from the South line and 660' from the East line to a standard bottom hole location 330' from the North line and 660' from the East line of Section 26, to a depth sufficient to test the Glorieta-Yeso 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 Nearburg Producing Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 4 miles West of Lakewood, New Mexico.

4. **CASE 14653:** (Continued from the May 26, 2011 Examiner Hearing.)

**Application of Energen Resources Corporation for Compulsory Pooling and an Unorthodox Surface Location, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Fruitland Coal formation, (Basin-Fruitland Coal Gas Pool) underlying lots 5, 6, 7, 8 and the S/2 S/2 of irregular Section 8, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, forming a 274.08 acre  $\pm$  spacing and proration unit to be dedicated to the Carracas 8 B Well No. 16-H. Pursuant to the provisions of Order No. R-13119, the well will be directionally drilled from an unorthodox surface location 2095 feet from the South line and 119 feet from the West line in adjoining Section 9, penetrating the Fruitland Coal formation at a point 1400 feet from the South line and 400 feet from the East line of Section 8, with a standard bottom hole location 1400 feet from the South line and 760 feet from the West line of Section 8, Township 32 North, Range 4 West, NMPM, Rio Arriba County, New Mexico. 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 Energen Resources Corporation as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 6 miles South of Arboles, Colorado

5. **CASE 14666:** **Application of Basic Energy Services for Authorization to Inject, Eddy County, New Mexico.** Applicant seeks an order authorizing the injection of salt water into the Delaware, Bell Canyon and Cherry Canyon formations (40380) in the following proposed well:

Belco State No. 2 SWD  
API No. 30-015-25433  
2310' FNL & 1980' FWL (Unit F)  
Section 20  
T-23-S, R-28-E, NMPM  
Eddy County, New Mexico

The subject well will be drilled to a proposed total depth of approximately 5,930' and will be utilized for injection of water through a closed system into the Delaware, Bell Canyon and Cherry Canyon formations (top: 2,454'; base: 5,865') with an injection interval within the approximate depths of 2,540' to 5,865' through perforations from 5,846' to 5,865'. Injection operations through the well will be conducted at an anticipated average daily injection pressure of 600 psi (surface) with a maximum surface injection pressure of 1,000 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 1,500 bbls and at maximum daily rates of approximately 3,400 bbls. The lands and well are located approximately 1 mile Northwest of Loving, New Mexico.

6. **CASE 14651:** (Continued from the June 9, 2011 Examiner Hearing.)

**Application of Occidental Permian LP for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the W/2 W/2 of Section, Township 19 South, Range 32 East, NMPM and (2) pooling all mineral interests in the Bone Spring formation in the non-standard spacing unit which will be the project area for the Fecta 33 Fed Com No. 1H to be drilled from a surface location 330 feet from the North line and 990 feet from the West line and a bottomhole location 330 feet from the South line and 660 feet from the West line of Section 33. 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 Occidental Permian LP as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles Northeast of US Highway 62/180 and State Highway 176, New Mexico.

7. **CASE 14652:** (Continued from the June 9, 2011 Examiner Hearing.)

**Application of Occidental Permian LP for a non-standard spacing and proration unit, compulsory pooling and non-standard location, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 W/2 of Section, Township 19 South, Range 32 East, NMPM and (2) pooling all mineral interests in the Bone Spring formation in the non-standard spacing unit which will be the project area for the Fecta 33 Fed Com No. 2H to be drilled from a surface location 141 feet from the North line and 2347 feet from the West line and a bottomhole location 330 feet from the South line and 1980 feet from the West line of Section 33. 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 Occidental Permian LP as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles northeast of US Highway 62/180 and State Highway 176, New Mexico. and 1980 feet from the West line of Section 33. Also to be considered will be the cost of drilling and completing said well and the