

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 9, 2014

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 02-14 and 03-14 are tentatively set for January 23, 2014 and February 6, 2014. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13.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. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

<p><i>Locator Key for Cases</i> <i>Case 15059 - No. 5</i> <i>Case 15060 - No. 6</i> <i>Case 15063 - No. 2</i> <i>Case 15064 - No. 3</i> <i>Case 15070 - No. 4</i> <i>Case 15072 - No. 1</i></p>

1. **CASE 15072:** *Application of Energen Resources Corporation to Amend Compulsory Pooling Order No. R-10154, San Juan County, New Mexico.* Applicant seeks an order amending Order No. R-10154 which pooled all interests in the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool (71629), underlying the S/2 of Section 19, Township 30 North, Range 11 West NMPM in San Juan County, New Mexico, forming a standard 326.26 acre \pm spacing and proration unit, now dedicated to the Flora Vista "19" Well No. 2 and the Flora Vista "19" Well No. 3. Applicant seeks an amendment to the Order No. R-10154 in order to consolidate additional interests. The wells and lands are located approximately 2 miles east of Flora Vista, New Mexico.
2. **CASE 15063:** *(Continued from the December 19, 2013 Examiner Hearing.)*
Application of COG Operating, LLC 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, 160-acre spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County and (2) pooling all mineral interests in the Bone Springs formation, Red Hills; Lower Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Sebastian Federal Com 3H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 18. The completed interval for this well will commence in the NW/4 NE/4 (Unit B) of Section 18 and remain within the 330-foot standard offset required by the rules. 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 of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.
3. **CASE 15064:** *(Continued from the December 19, 2013 Examiner Hearing.)*
Application of COG Operating, LLC 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, 160-acre spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County and (2) pooling all mineral interests in the Bone Spring formation, Red Hills; Lower Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Sebastian Federal Com 4H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 18. The completed interval for this well will commence in the NE/4 NE/4 (Unit A) of Section 18 and remain within the 330-foot standard offset

required by the rules. 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 of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

4. **CASE 15070:** *(Continued from the December 19, 2013 Examiner Hearing.)*
Application of WPX Energy Production, LLC For An 80-Acre Non-Standard Spacing Unit In The Basin-Mancos Gas Pool (97232) And Approval Of An Unorthodox Well Location In This Spacing Unit; Approval Of An 80-Acre Non-Standard Spacing Unit In The Nageezi Gallup Pool (47540) And Compulsory Pooling; And Approval To Downhole Commingle Production From The Nageezi Gallup Pool (47540) And The Basin Mancos Gas Pool (97232), San Juan County, New Mexico. Applicant seeks an order (1) creating a non-standard 80-acre spacing and proration unit in the Basin Mancos Gas Pool comprised of the S/2 SW/4 Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and authorizing an unorthodox well location in this spacing unit; (2) creating a non-standard 80-acre spacing and proration unit in the Nageezi Gallup Pool comprised of the S/2 SE/4 of Section 16 and pooling all mineral interests in this pool underlying this acreage; and (3) approving the downhole commingling of production from the Nageezi Gallup Pool and the Basin-Mancos Gas Pool in applicant's proposed Chaco 2308-16I 148H to be drilled in the S/2 S/2 of Section 16. Applicant's proposed well will be have a surface location 1500 feet from the South line and 228 feet from the East line (Unit I) with a penetration point located 380 feet from the South line and 380 feet from the East Line (Unit P) and a bottom hole location 380 feet from the South line and 380 feet from the West line (Unit M). 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. This area is located approximately 8 miles West of Lybrook, New Mexico.
5. **CASE 15059:** *(Continued from the December 5, 2013 Examiner Hearing.)*
Application of Mesquite SWD, Inc. for approval of a water disposal well, Lea County, New Mexico. Applicant seeks an order approving disposal of produced water into the Bell Canyon and Cherry Canyon members of the Delaware formation at depths of 4790-7350 feet subsurface in the proposed Blue Quail SWD Well No. 1, to be located 2100 feet from the north line and 1660 feet from the west line of Section 11, Township 25 South, Range 32 East, NMPM. The well is located approximately 25 miles west of Bennett, New Mexico.
6. **CASE 15060:** *(Continued from the December 5, 2013 Examiner Hearing.)*
Application of Owl Oil and Gas LLC for approval of a water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Yates-Seven Rivers formation at depths of 670-785 feet subsurface in the Myrtle Myra SWD Well No. 3, to be re-entered at a location 1978 feet from the south line and 1980 feet from the west line of Section 9, Township 21 South, Range 27 East, NMPM. The well is located approximately 5-1/2 miles north-northeast of Carlsbad, New Mexico.