Examiner Hearing – January 23, 2014 Docket No. 03-14 Page 3 of 3

horizontal well with a surface location in the NW/4 NW/4, and a terminus in the NE/4 NE/4, of Section 34. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 8 miles south of Loco Hills, New Mexico.

- 8. <u>CASE 15080</u>: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 34, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 N/2 of Section 34 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Dorado 34 EH Fed. Com. Well No. 1H, a horizontal well with a surface location in the SW/4 NW/4, and a terminus in the SE/4 NE/4, of Section 34. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 8 miles south of Loco Hills, New Mexico.
- QASE 15081: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 S/2 of Section 21, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 S/2 of Section 21 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Young 21 PM Fed. Com. Well No. 1H, a horizontal well with a surface location in the SE/4 SE/4, and a terminus 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles south of Maljamar, New Mexico.
- 10. CASE 15082: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order (i) pooling all mineral interests from the surface to the top of the Wolfcamp formation in the SW/4 SW/4, and the Wolfcamp formation underlying the W/2, of Section 35, Township 23 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, and (ii) approving an unorthodox gas well location in the Wolfcamp formation. The units are to be dedicated to the Layla 35 MD Fee Com. Well No. 2H, a horizontal well with a surface location 150 feet from the south line and 660 feet from the west line, and a terminus 330 feet from the north line and 660 feet from the west line, of Section 35. 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 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2-1/2 miles north-northeast of Malaga, New Mexico.
- 11. CASE 15060: (Continued from the January 9, 2014 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.