

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

FINAL AGENDA AND DOCKET
NEW MEXICO OIL CONSERVATION COMMISSION MEETING
December 10, 2015
9:00 A.M.
Wendell Chino Building
Porter Hall
1220 S. St. Francis Drive
Santa Fe, New Mexico 87501

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of November 5, 2015 meeting.
4. Approve and adopt order in Case 15327 De Novo.
Case 15327: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.
5. ***Case 15105 (re-opened): De Novo (This case will be continued to the February 11, 2016 Commission Meeting.)***
Amended Application of COG Operating LLC to Amend Order R-13823 to Limit Pooled Formation and to Compulsory Pool Additional Mineral Interest in the Approved Spacing Unit, Lea County, New Mexico. Applicant in the above-styled cause seeks an to amend Division Order R-13823 to limit the pooled formation to the Third Bone Spring Sand and to include the pooling of additional mineral interests in the Scharb-Bone Spring Pool (pool code 55610) underlying the 240-acre oil spacing and proration unit created under Division Order R-13823. The spacing and proration unit consists of the E/2 SE/4 of Section 6 and the E/2 E/2 of Section 7, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico. Said area is located approximately 23 miles west of Hobbs, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
6. ***Case 15281: De Novo (This case will be continued to the February 11, 2016 Commission Meeting.)***
Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause

seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the N/2 S/2 of Section 15, Township 18 South, Range 26 East, NMPM, Eddy County and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Pilum 15 Fee No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 16 to a standard bottom hole location in the NE/4 SE/4 (Unit I) of Section 15. The completed interval for this well will 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 1 mile northeast of Dayton, NM. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

7. ***Case 15282: De Novo (This case will be continued to the February 11, 2016 Commission Meeting.)***

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 27, Township 17 South, Range 28 East, NMPM, Eddy County and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Halberd 27 State Com No. 1H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 26 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 27. The completed interval for this well will 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 15 miles east of Artesia, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

8. ***Case 15283: De Novo (This case will be continued to the February 11, 2016 Commission Meeting.)***

Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the N/2 S/2 of Section 27, Township 17 South, Range 28 East, NMPM, Eddy County and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Halberd 27 State Com No. 2H Well**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 26 to a standard bottom hole location in the NW/4 SW/4 (Unit L) of Section 27. The completed interval for this well will 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 15 miles east of Artesia, New Mexico. Upon application of COG Operating LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.

9. ***Case 15322: De Novo (This case will be continued to the January 14, 2016 Commission Meeting.)***
Application of Key Energy Services, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving the disposal of produced water into the Brushy Canyon formation of the Delaware Mountain group at depths of 4082-5200 feet subsurface in the **Grace Carlsbad No. 1 well**, which is located 1980 feet from the south line and 660 feet from the east line of Section 36, Township 22 South, Range 26 East, NMPM. The well is located approximately 4 miles south of Carlsbad, New Mexico. Upon application of Key Energy Services, LLC, this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23 NMAC.
10. Next meeting: January 14, 2016.
11. Adjournment.

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing or meeting, contact Florene Davidson at least ten days prior to the meeting or as soon as possible at 505.476.3458 or florene.davidson@state.nm.us. Public documents can be provided in various accessible formats. Contact Florene Davidson if accessible format is needed.