

**AMENDED DOCKET: EXAMINER HEARING – THURSDAY – MAY 17, 2018**

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Docket Nos. 21-18 and 22-18 are tentatively set for May 31, 2018 and June 14, 2018. Applications for hearing must be filed at least thirty (30) days in advance of the hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC 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.

***Locator Key for Cases***

*Case 16002 – No. 5*  
*Case 16013 – No. 30*  
*Case 16024 – No. 40*  
*Case 16042 – No. 34*  
*Case 16047 – No. 35*  
*Case 16048 – No. 36*  
*Case 16075 – No. 37*  
*Case 16076 – No. 41*  
*Case 16077 – No. 42*  
*Case 16088 – No. 16*  
*Case 16089 – No. 17*  
*Case 16105 – No. 43*  
*Case 16113 – No. 44*  
*Case 16114 – No. 45*  
*Case 16132 – No. 1*  
*Case 16133 – No. 2*  
*Case 16134 – No. 3*  
*Case 16135 – No. 6*  
*Case 16136 – No. 7*  
*Case 16137 – No. 8*  
*Case 16138 – No. 9*  
*Case 16139 – No. 10*  
*Case 16140 – No. 11*  
*Case 16141 – No. 12*  
*Case 16142 – No. 13*  
*Case 16143 – No. 14*  
*Case 16144 – No. 15*  
*Case 16145 – No. 18*  
*Case 16146 – No. 19*  
*Case 16147 – No. 20*  
*Case 16148 – No. 21*  
*Case 16149 – No. 22*  
*Case 16150 – No. 23*  
*Case 16151 – No. 24*  
*Case 16152 – No. 25*  
*Case 16153 – No. 26*  
*Case 16154 – No. 27*  
*Case 16155 – No. 28*  
*Case 16156 – No. 29*  
*Case 16157 – No. 31*  
*Case 16158 – No. 32*  
*Case 16159 – No. 33*  
*Case 16160 – No. 4*  
*Case 16161 – No. 38*  
*Case 16162 – No. 39*

above-styled cause seeks an order (1) creating a 160-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 32, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico; (2) pooling all uncommitted interests in the Red Lake, Glorieta-Yeso Pool (51120); and (3) approving an unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Red Lake 32 State Com 2H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 32 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 32. The final take point for the well will be at a location 100 feet from the west line and 360 feet from the south line of Section 32. The last take point is unorthodox to the spacing and proration units to the west and southwest. 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 Percussion Petroleum Operating, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles southeast of Artesia, New Mexico.

32. **Case No. 16158: Application of Delaware Energy LLC for Authorization to Inject Salt Water for Purposes of Disposal Through its Moomaw SWD No. 1 Well, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order authorizing injection of salt water for purposes of disposal through its proposed Moomaw SWD No. 1 well with a surface location 1,646 feet from the north line and 2,294 feet from the east line (Unit G) of Section 25, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico. The maximum proposed daily injection rate will be 30,000 barrels per day with an average injection rate of 15,000 to 20,000 barrels per day. The proposed injection will occur within the Devonian-Fusselman Formations from 17,400 to 19,200 feet deep. The maximum surface injection pressure will be 3,480 psi with an average injection pressure of 1,800 psi. Said well is located approximately 9 miles northwest of Jal, New Mexico.

33. **Case No. 16159: Application of OXY USA WTP Limited Partnership for Approval of a Waterflood Unit Agreement for Purposes of Implementing a Pressure Maintenance Project in the Benson; Bone Spring Pool through its Smokey Bits State Com No. 2H well, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order approving its Waterflood Unit Agreement and authorizing a pilot pressure maintenance project in the Benson; Bone Spring Pool (Pool Code 5200) within the Second Bone Spring Sand formation and to inject produced water through its **Smokey Bits State Com No. 2H well** (API No. 30-015-40196), with a surface location 1,575 feet from the North line and 75 feet from the West line (Unit E) of Section 36, Township 18 South, Range 30 East, NMPM, Eddy County, New Mexico. The unitized interval is the stratigraphic equivalent of the Second Bone Spring which covers the depths from 7,862 feet to 8,818 feet in the Oxy Smokey State #1 (30-015-31611), located 1,780 feet from the north line and 1,980 feet from the west line of Section 36, Township 18 South, Range 30 East, Eddy County, New Mexico. The maximum proposed daily injection rate will be 6,000 barrels per day with an average daily injection rate of 1,500 barrels per day. The proposed injection will occur within the Second Bone Spring formation at a depth of approximately 8,532 feet to 8,624 feet deep. The proposed Unit Area and project area is approximately 640 acres in size, consisting of said Section 36. The applicant requests administrative approval to convert future wells with the Unit Area to injection pursuant to 19.15.26.8.F.3 NMAC. Applicant also requests authorization to set injection packers in the proposed injection well and all future injection wells within the Unit Area more than 100 feet above the uppermost injection perforation. The maximum surface injection pressure will be 1,706 psi. Said well is located approximately 15 miles southwest of Maljamar, New Mexico.

34. **Case No. 16042: (Continued from the May 3, 2018 Examiner Hearing.)**  
**Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Westbrook Oil Corporation, for Wells Operated in Lea and Eddy Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Westbrook Oil Corporation, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

35. **Case No. 16047: (Continued from the May 3, 2018 Examiner Hearing.)**  
**Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Kevin O. Butler & Associates, Inc., for Wells Operated in Chaves, Eddy, and Lea Counties, New Mexico.** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this



application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Kevin O. Butler & Associates, Inc., ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

**36..     Case No. 16048: (Continued from the May 3, 2018 Examiner Hearing.)**

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cobalt Operating, LLC, for Wells Operated in Lea County, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cobalt Operating, LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

**37.     Case No. 16075: (Continued from the May 3, 2018 Examiner Hearing.)**

***Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Cross Timbers Energy, LLC, for Wells Operated in Rio Arriba and Lea Counties, New Mexico.*** The Oil Conservation Division Compliance and Enforcement Bureau ("Bureau"), through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD" or "Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Cross Timbers Energy, LLC, ("Operator") is out of compliance with 19.15.5.9(A)(4), and 19.15.25.8 NMAC; (2) requiring the Operator to return to compliance with 19.15.5.9(A)(4) and 19.15.25.8 NMAC within 45 days and requiring producing wells shut-in until compliance is achieved; and (3) in the event of non-compliance, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by NMSA 1978, § 70-2-14(E).

**38,     Case No. 16161: *Application of BTA Oil Producers, 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) authorizing a non-standard 240-acre spacing and proration unit comprised of the W/2 W/2 of Section 29 and the W/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **BTA-Ogden 20509 29-32 Fed Com #9H Well**, which will be horizontally drilled from a standard surface location in the NW/4 NW/4 (Unit D) of Section 29 with a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 29. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. 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 BTA Oil Producers, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, N.M.

**39.     Case No. 16162: *Application of BTA Oil Producers, 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) authorizing a non-standard 240-acre spacing and proration unit comprised of the E/2 W/2 of Section 29 and the E/2 NW/4 of Section 32, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **BTA-Ogden 20509 29-32 Fed Com #10H Well**, which will be horizontally drilled from a standard surface location in the NE/4 NW/4 (Unit C) of Section 29 with a standard bottom hole location in the SE/4 NW/4 (Unit F) of Section 29. The completed interval for this well will remain within the 330-foot offset as required by the Statewide rules for oil wells. 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 BTA Oil Producers, LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loving, N.M.