

DOCKET: EXAMINER HEARING - THURSDAY - JULY 26, 2012

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

Santa Fe, New Mexico

Docket Nos. 24-12 and 25-12 are tentatively set for August 9, 2012 and August 23, 2012. 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. The following cases will be heard by an Examiner.

Locator Key for Cases***Case 13940 - No. 4******Case 14857 - No. 1******Case 14863 - No. 3******Case 14880 - No. 2***

1. **CASE 14857:** (Continued from the July 12, 2012 Examiner Hearing.)
Application of Mewbourne Oil Company for approval of 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 Delaware formation comprised of the W/2 W/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Delaware formation underlying the SW/4 SW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Delaware formation underlying the W/2W/2 of Section 35 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 units are to be dedicated to the Layla 35 MD Fee Com. Well No. 1, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, 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.
2. **CASE 14880:** (Continued from the July 12, 2012 Examiner Hearing.)
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 spacing and proration unit comprised of the S/2 N/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Falcon 28 1H Well (API #30-015-37000), to be horizontally drilled from a surface location 1980 feet from the North line and 530 feet from the East line (Unit H) of Section 28 to a bottom hole location 1980 feet from the North line and 350 feet from the West line (Unit E) of Section 28. 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 south of Loving, New Mexico.
3. **CASE 14863:** (Continued from the July 12, 2012 Examiner Hearing.)
Application of LRE Operating, LLC, for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order proposing to utilize its Eddy-Humble "4" State No. 1, located 2310 feet from the South line and 1650 feet from the East line, Unit J, Section 4, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico as a produced water disposal well. Applicant proposes to inject produced water into the Abo, Wolfcamp and Cisco formations. The well is located approximately 7 miles southwest of Loco Hills, New Mexico.
4. **CASE 13940:** (Continued from the June 25, 2012 Examiner Hearing.)
Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicants seek an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.