

SUPPLEMENT DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 29, 2012

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket No. 38-12 is tentatively set for December 13, 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 14883 – No. 22

Case 14888 – No. 21

Case 14907 – No. 4

Case 14911 – No. 8

Case 14913 – No. 13

Case 14914 – No. 19

Case 14915 – No. 20

Case 14917 – No. 5

Case 14919 – No. 7

Case 14921 – No. 16

Case 14922 – No. 17

Case 14923 – No. 18

Case 14926 – No. 1

Case 14927 – No. 2

Case 14928 – No. 3

Case 14929 – No. 6

Case 14930 – No. 9

Case 14931 – No. 10

Case 14932 – No. 11

Case 14933 – No. 12

Case 14934 – No. 14

Case 14935 – No. 15

Case 14936 – No. 23

1. ***CASE 14926: Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, San Juan County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the top of the Mesaverde formation to the base of the Dakota formation underlying the N/2 of Section 7, T29N, R10W, NMPM, San Juan County, New Mexico, forming a standard 308.28-acre gas spacing and proration unit for the Mesaverde, Mancos and Dakota formations spaced on 320-acre spacing. This unit is to be dedicated to its (a) Houck Com 2 well to be drilled and completed at a standard surface well location 1570 feet FNL and 1114 feet FWL and a standard bottom hole location 1970 feet FNL and 1115 feet FWL of Sec 7 as downhole commingled wellbore for production from the Dakota, Mancos and Mesaverde formations and its (b) Houck Com 2N well to be drilled and completed at a standard surface well location 1518 feet FNL and 1115 feet FWL and a standard bottom hole location 710 feet FNL and 710 feet FWL of Sec 7 as downhole commingled wellbore for production from the Dakota, Mancos and Mesaverde formations. Also to be considered will a request by the applicant for a provision authorizing the application to hold any proceeds, rather than establish an escrow account, and to then escheat those funds directly to the Tax & Rev, as the Administrator under the New Mexico Unclaimed Property Act. Also be considered will be a request the costs of drilling and completing said wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the wells and, pursuant to Commission Order R-11992, a 200% charge for the risk involved in these wells. This unit is located approximately 3 miles east of the Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.
2. ***CASE 14927: Application of Burlington Resources Oil & Gas Company LP for the establishment of a downhole commingling reference case for its San Juan 29-4 Unit, Rio Arriba County, New Mexico.*** Applicant, in the above-styled cause, in accordance with Division Rule 303.E seeks to establish a downhole commingling reference case to modify the notification rules on an area-wide basis authorization for downhole commingling of Dakota and Mesaverde gas production

in the wellbores of existing or future wells drilled anywhere within the San Juan 29-4 Unit located in Township 29 North, Range 4 West, NMPM, Rio Arriba County, New Mexico, said production being portions of the Basin-Dakota Gas Pool, the Blanco-Mesaverde Gas Pool. The center of said area is located approximately 4 miles north from Tierra Amarilla, New Mexico.

3. **CASE 14928:** *Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company LP to amend downhole commingling referenced cases orders for fourteen Township Units to delete the notice requirements, San Juan and Rio Arriba County, New Mexico.* The existing orders authorized the applicant to delete notice to interest owners for the downhole commingling of production from Dakota and Mesaverde formation for these units. Now, the applicant seeks to delete the notice requirements for the downhole commingling of production from the Basin-Mancos Gas Pool, certain Gallup pools when it is commingled with Dakota and/or Mesaverde production. These Units are subject to these orders: Allison Unit--Order R-13106; San Juan 27-4 Unit--Order R-12867; San Juan 28-4 Unit--Order R-12865; San Juan 28-6 Unit--Order R-10696; San Juan 29-7 Unit--Order R-10697; San Juan 30-6 Unit--Order R-12866; San Juan 32-9 Unit--Order R-10692; San Juan 31-6 Unit--Order R-11188; San Juan 32-7 Unit--Order R-11210; San Juan 28-7 Unit--Order R-10476-B; San Juan 29-5 Unit--Order R-10770; San Juan 29-6 Unit--Order R-11187; San Juan 30-5 Unit--Order R-10771; San Juan 32-8 Unit--Order R-11189 plus commingling for the Trail Canyon-Gallup Pool. These units are contiguous and the center of the unit areas are approximately 9 miles Southeast of Gobernador Camp, New Mexico except for the San Juan 32-9, the center of which is located approximately 5 miles Southeast of Gobernador Camp, New Mexico
4. **CASE 14907:** *(Continued from the November 1, 2012 Examiner Hearing.)*
Application of KC Resources, Inc. for approval of a pressure maintenance project in Eddy County, New Mexico; Applicant seeks approval to institute a lease pressure maintenance project through its Jones D No.5 well location 2310 FSL, 330 FWL in Unit L of Section 18, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the San Andres formation at a depth of 1779 to 1934.
5. **CASE 14917:** *(Continued from the November 1, 2012 Examiner Hearing.)*
Application of Dwight A. Tipton for approval of a pressure maintenance project in Lea County, New Mexico; Applicant seeks approval to institute a lease pressure maintenance project in its Sunray A #1 well located 990 FSL, 1980 FEL in Unit O of Section 36, Township 9 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Applicant intends to inject produced water into the lower San Andres formation at depths of 4630-4650 feet (perforated) and 4750-5000 feet (open hole).
6. **CASE 14929:** *Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit, unorthodox well location, 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 W/2 W/2 of Section 15, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; (2) approving an unorthodox well location; and (3) pooling all mineral interests underlying this acreage to form a 160-acre project area in the Bone Spring formation, South Culebra Bluff-Bone Spring pool. Said non-standard unit is to be dedicated to applicant's proposed Heritage 2 15 No. 2H well, to be horizontally drilled from a surface location 330 feet from the South line and 330 feet from the West line (Unit M) to a bottom hole location 330 feet from the North line and 330 feet from the West line (Unit D) of Section 15. The completed interval for this well will be outside the offset required by the applicable special pool rule, encroaching on the proration and spacing units to the west, northwest, and north. 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 Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Loving, New Mexico.
7. **CASE 14919:** *(Continued from the November 1, 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 E/2 E/2 of Section 8, Township 19 South, Range 26 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Bradley 8 Fee 4H well to be horizontally drilled from a surface location 160 feet from the South line and 1040 feet from the East line (Unit P) to a bottom hole location 330 feet from the North line and 1040 feet from the East line (Unit A) of Section 8. The completed interval for this well will be 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 Lakewood, New Mexico.