

DOCKET: EXAMINER HEARING - THURSDAY – MARCH 21, 2013

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

Docket Nos. 11-13 and 12-13 are tentatively set for April 4, 2013 and April 18, 2013. 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.

<i>Locator Key for Cases</i>
<i>Case 14883 – No. 21</i>
<i>Case 14911 – No. 16</i>
<i>Case 14936 – No. 10</i>
<i>Case 14946 – No. 6</i>
<i>Case 14951 – No. 11</i>
<i>Case 14952 – No. 12</i>
<i>Case 14953 – No. 13</i>
<i>Case 14954 – No. 14</i>
<i>Case 14956 – No. 1</i>
<i>Case 14957 – No. 2</i>
<i>Case 14961 – No. 7</i>
<i>Case 14962 – No. 22</i>
<i>Case 14963 – No. 19</i>
<i>Case 14965 – No. 3</i>
<i>Case 14966 – No. 4</i>
<i>Case 14967 – No. 5</i>
<i>Case 14968 – No. 8</i>
<i>Case 14969 – No. 9</i>
<i>Case 14970 – No. 15</i>
<i>Case 14971 – No. 17</i>
<i>Case 14972 – No. 18</i>
<i>Case 14973 – No. 20</i>

1. **CASE 14956:** *(Continued from the March 7, 2013 Examiner Hearing.)*
Application of SM Energy Company for designation of a non-standard oil spacing and proration unit and for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the N/2 S/2 of Section 36, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the N/2 S/2 of Section 36 to be dedicated to its Parkway "36" State No. 3H Well to be drilled horizontally from a surface location 1750' from the South line and 330' from the West line (Unit L) to a bottom hole location 2150' from the South line and 330' from the East line (Unit I) to a depth sufficient to test the Bone Spring formation, Parkway Bone Spring pool (49622). 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 SM Energy Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 7 miles west of Gatuna Canyon, New Mexico.

2. **CASE 14957:** *(Continued from the March 7, 2013 Examiner Hearing.)*
Application of SM Energy Company for designation of a non-standard oil spacing and proration unit and for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 36, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the S/2 S/2 of Section 36 to be dedicated to its Parkway "36" State No. 4H Well to be drilled horizontally from a surface location 660' from the South line and 440' from the West line (Unit M) to a

bottom hole location 330' from the South line and 330' from the East line (Unit P) to a depth sufficient to test the Bone Spring formation, Parkway Bone Spring pool (49622). 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 SM Energy Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 7 miles west of Gatuna Canyon, New Mexico.

3. **CASE 14965:** *Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order consolidating the 40-acre spacing units within the W/2 W/2 of Section 9, Township 19 South Range 26 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Yeso formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Yeso formation underlying the W/2 W/2 of Section 9 to be dedicated to its Stonewall 9 Fee No. 1-H Well to be drilled horizontally from a surface location in the SW/4 SW/4 of Section 9 to a standard bottom hole location in the NW/4 NW/4 of Section 9 to a depth sufficient to test the Yeso formation, Atoka Glorieta-Yeso Pool (3250). 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 and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 2 and ½ miles north of Lakewood, New Mexico.
4. **CASE 14966:** *Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico.* Cimarex Energy Co. seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/2 NE/4 of Section 8 and N/2 N/2 of Section 9, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Abo/Wolfcamp formation underlying the non-standard 240 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Independence 8 Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 510 feet from the north line and 2310 feet from the east line of Section 8, with a terminus 660 feet from the north line and 330 feet from the east line of Section 9. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 16 miles north-northeast of Loco Hills, New Mexico.
5. **CASE 14967:** *Application of Mewbourne 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 a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 35, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Bone Spring formation underlying the SW/4 SW/4 of Section 35 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the W/2 W/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 Willow Lake 35 MD Fed. 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 unit is located approximately 3 miles south-southeast of Malaga, New Mexico.
6. **CASE 14946:** *(Continued from the March 7, 2013 Examiner Hearing.)*
Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit, and unorthodox oil well location, and compulsory pooling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2 E/2 of Section 13, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Delaware formation underlying the W/2 E/2 of Section 13 to form a non-standard 160 acre oil spacing and proration unit (project area), and (ii) from the surface to the base of the Bone Spring formation underlying the NW/4 NE/4 of Section 13, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Lone Tree 13