Examiner Hearing – September 5, 2013 Docket No. 31-13 Page 2 of 3

- 2. <u>CASE 15037</u>: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit, an unorthodox oil well location, 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 Bone Spring formation (South Culebra Bluff-Bone Spring Pool) comprised of the E/2 E/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/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 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Layla 35 PA Well No. 1, a horizontal well with a surface location 150 feet from the south line and 330 feet from the east line, and a terminus 330 feet from the north line and 660 feet from the east line, of Section 35. The location is unorthodox under the rules governing the South Culebra Bluff-Bone Spring Pool. 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 north-northeast of Malaga, New Mexico.
- 3. <u>CASE 15038</u>: Application of Mewbourne Oil Company for 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 23, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 23 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Owl Draw 23 DM Fed. Com. Well No. 2, a horizontal well with a surface location 370 feet from the south line and 1055 feet from the west line of adjoining Section 14, and a terminus 330 feet from the south line and 500 feet from the west line of Section 23. 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 13 miles south-southeast of Black River Village, New Mexico.
- Application of Matador Production Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) pooling all mineral interests in the underlying Wolfcamp formation; and (2) approving an unorthodox well location in the S/2 S/2 of Section 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to applicant's proposed Rustler Breaks 12-24-27 #1H well, which will be horizontally drilled from an unorthodox surface location 330 feet from the East line and 380 feet from the South line (Unit P) to an unorthodox bottom hole location 330 feet from the West line and 380 feet from the South line (Unit M) of said Section 12. The entire completed interval for this well will be outside the 660-foot standard offset required by the Division's 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles East of Black River Village, New Mexico.
- 5. <u>CASE 15040</u>: Application of Occidental Permian Limited Partnership 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 W/2 of Section 21, Township 24 South, Range 28 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Bone Spring formation, Malaga; Malaga Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Stent "21" Federal Com 2H Well, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 21. 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 Occidental Permian Ltd. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southwest of Malaga, New Mexico.