

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 3, 2013

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

Docket Nos. 36-13 and 37-13 are tentatively set for October 17, 2013 and October 31, 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. 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 15043 - No. 2
Case 15046 - No. 6
Case 15048 - No. 1
Case 15049 - No. 3
Case 15050 - No. 4
Case 15051 - No. 5

1. **CASE 15048: Application of Sundown Energy LP for Authorization to Inject for Waterflood Project Operations, Lea County, New Mexico.** Applicant seeks an order authorizing the injection of water in the Queen formation, Reeves-Queen Oil Pool (52070) through the following wells:

Arco 28 State Well No. 1

API No. 30-025-29340
 660' FNL and 660' FEL (Unit A)
 Section 28
 T-18-S, R-35-E, NMPM

Arco State Well No. 2

API No. 30-025-29526
 330' FNL and 1650' FEL (Unit B)
 Section 28
 T-18-S, R-35-E, NMPM

Applicant proposes to conduct waterflood operations to support production from its Reeves Queen Unit Waterflood Project Area by converting the two wells and utilizing them for injection of water through a closed system into the Queen formation through perforations in each of the wells at depths of 4,472' - 4,488' and 4,480' - 4,483', respectively. Injection operations through the wells will be conducted at an anticipated average daily injection pressure of 894 psi with a maximum surface injection pressure of 2,200 psi or as permitted by the Division. Applicant proposes injection of water at average daily rates of approximately 500 bbls and at maximum daily rates of approximately 1,000 bbls. The lands and wells are located approximately ten miles west of Hobbs, New Mexico.

2. **CASE 15043: (Continued from the September 19, 2013 Examiner Hearing.)**
Application of Regeneration Energy Corp. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation comprised of the E/2 E/2 of Section 17, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit is to be dedicated to applicant's Madera 17 Fed. Well No. 1H, to be drilled horizontally from a surface location 330 feet from the north line and 380 feet from the east line, to a bottom hole location 330 feet from the south line and 380 feet from the east line, of Section 17. 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 risk involved in drilling the well. The unit is located approximately 18-1/2 miles west-northwest of Jal, New Mexico.