

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 20, 2014

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

Docket Nos. 07-14 and 08-14 are tentatively set for March 6, 2014 and March 20, 2014. 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 15070 - No. 6
Case 15072 - No. 11
Case 15074 - No. 12
Case 15084 - No. 13
Case 15085 - No. 1
Case 15086 - No. 2
Case 15087 - No. 3
Case 15088 - No. 4
Case 15089 - No. 5
Case 15090 - No. 7
Case 15091 - No. 8
Case 15092 - No. 9
Case 15093 - No. 10

1. ***CASE 15085: Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit 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 Bone Spring formation comprised of the E/2 E/2 of Section 14, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, 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 Draw 14 State Com. Well No. 1H, a horizontal well to be drilled at a surface location 335 feet from the south line and 1110 feet from the east line of adjoining Section 11, with a terminus 330 feet from the south line and 810 feet from the east line of Section 14. 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 6 miles northeast of Carlsbad, New Mexico.
2. ***CASE 15086: Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit 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 Bone Spring formation comprised of the W/2 E/2 of Section 14, Township 21 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, 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 Draw 14 State Com. Well No. 2H, a horizontal well to be drilled at a surface location 150 feet from the north line and 1875 feet from the east line, with a terminus 330 feet from the south line and 2200 feet from the east line, of Section 14. 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 6 miles northeast of Carlsbad, New Mexico.

3. **CASE 15087: Application of Elevation Resources LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Elevation Resources LLC 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 E/2 of Section 19, Township 21 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Birdog 19 State Well No. 1H, a horizontal well to be drilled at a surface location 225 feet from the south line and 1980 feet from the east line, with a terminus 330 feet from the north line and 1980 feet from the east line, of Section 19. 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 14-1/2 miles west-southwest of Oil Center, New Mexico.
4. **CASE 15088: 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 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 22 and the E/2 E/2 of Section 27, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Owl Draw 22/27 AP Fed. Com. Well No. 1H, a horizontal well with a surface location 200 feet from the south line and 600 feet from the east line of adjoining Section 15, and a terminus 330 feet from the south line and 660 feet from the east line of Section 27. 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 15 miles south-southeast of Black River Village, New Mexico.
5. **CASE 15089: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 22, Township 26 South, Range 27 East, NMPM, to form a standard 320 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the Owl Draw 22 BO Fed. Com. Well No. 1H, a horizontal well with a surface location 330 feet from the north line and 1650 feet from the east line, and a terminus 330 feet from the south line and 1980 feet from the east line, of Section 22. 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 12-1/2 miles south-southeast of Black River Village, New Mexico.
6. **CASE 15070: (Continued from the February 6, 2014 Examiner Hearing.)**
Application of WPX Energy Production, LLC For An 80-Acre Non-Standard Spacing Unit In The Basin-Mancos Gas Pool (97232) And Approval Of An Unorthodox Well Location In This Spacing Unit; Approval Of An 80-Acre Non-Standard Spacing Unit In The Nageezi Gallup Pool (47540) And Compulsory Pooling; And Approval To Downhole Commingle Production From The Nageezi Gallup Pool (47540) And The Basin Mancos Gas Pool (97232), San Juan County, New Mexico. Applicant seeks an order (1) creating a non-standard 80-acre spacing and proration unit in the Basin Mancos Gas Pool comprised of the S/2 SW/4 Section 16, Township 23 North, Range 8 West, NMPM, San Juan County, New Mexico, and authorizing an unorthodox well location in this spacing unit; (2) creating a non-standard 80-acre spacing and proration unit in the Nageezi Gallup Pool comprised of the S/2 SE/4 of Section 16 and pooling all mineral interests in this pool underlying this acreage; and (3) approving the downhole commingling of production from the Nageezi Gallup Pool and the Basin-Mancos Gas Pool in applicant's proposed Chaco 2308-16I 148H to be drilled in the S/2 S/2 of Section 16. Applicant's proposed well will be have a surface location 1500 feet from the South line and 228 feet from the East line (Unit I) with a penetration point located 380 feet from the South line and 380 feet from the East