## Examiner Hearing – December 18, 2014 Docket No. 38-14 Page 2 of 3

- Section 1. The producing interval will be unorthodox, with the penetration point 330 feet from the south line and 350 feet from the east line, and the last perforation 330 feet from the north line and 350 feet from the east line, of Section 1. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 1 mile west of Harroun, New Mexico.
- 4. <u>CASE 15245</u>: Application of MRC Permian Company for compulsory pooling and approval of an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 12, Township 23 South, Range 27 East, NMPM, for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the Tom Walters 12-23S-27E RB Well No. 203H, a horizontal well with a surface location 2280 feet from the south line and 250 feet from the west line of Section 12. The producing interval will be unorthodox, with the penetration point 2280 feet from the south line and 330 feet from the west line, and the last perforation 2280 feet from the south line and 330 feet from the east line, of Section 12. 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 Matador Production Company 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 northwest of Loving, New Mexico.
- 5. <u>CASE 15246</u>: Application of Anschutz Oil Company, LLC for compulsory pooling, Rio Arriba County, New Mexico.
  Anschutz Oil Company, LLC seeks an order pooling of all mineral interests in the Mancos formation underlying the W/2 of Section 14 and all of Section 15, Township 25 North, Range 2 West, N.M.P.M., a previously approved non-standard 960 acre spacing and proration unit, for any formations and/or pools developed on 640 acre spacing within that vertical extent, including the Gavilan-Mancos Pool. Applicant proposes to drill its Regina Com. 25-2-14-15 Well No. 1H, to a depth sufficient to test the Gavilan-Mancos Pool. It is a horizontal well to be drilled from a surface location in the NW/4 NE/4 of Section 14, with a terminus in the NW/4 NW/4 of Section 15. The beginning of the producing interval will be approximately 830 feet from the north line and 2310 feet from the west line of Section 14, to a terminus 830 feet from the north line and 330 feet from the west line of Section 15. The unit is located approximately 15 miles northwest of Gallina, New Mexico.
- 6. <u>CASE 15247</u>: Application of Mack Energy Corporation for compulsory pooling, Eddy County, New Mexico. Mack Energy Corporation seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NE/4 NW/4 of Section 34, Township 22 South, Range 27 East, N.M.P.M., to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Warren Fee Well No. 1, to be drilled from a surface location 875 feet from the north line and 2045 feet from the west line, to an orthodox bottomhole location 965 feet from the north line and 2285 feet from the west line, of Section 34. 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 1/2 mile northwest of Otis, New Mexico.
- 7. <u>CASE 15248</u>: Application of RMR Operating, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 234.75-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the W/2 E/2 of Section 25, and Lot 2 and the NW/4 NE/4 of Section 36, Township 26 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the non-standard oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Madera 25 Fed. Com. Well No. 2H, a horizontal well with a surface location in the NW/4 NE/4 of Section 25, and a terminus in Lot 2 of Section 36. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 12-1/2 miles west-southwest of Bennett, New Mexico.
- 8. CASE 15249: Application of COG Operating LLC For Creation Of A Non-Standard Spacing And Proration Unit And Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 22, Township 25 South, Range 29 East, NMPM, Eddy County; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Mescal 22 Federal #1H well, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) to a standard bottom hole location in NW/4 SW/4 (Unit L) of Section 22. The completed interval for this well will commence in NE/4 SE/4 (Unit I) of Section 22 and remain within the 330-foot setback required by Division Rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a

## Examiner Hearing – December 18, 2014 Docket No. 38-14 Page 3 of 3

200% charge for risk involved in drilling said well. Said area is located approximately 15 miles Southeast of Malaga, New Mexico.

- 9. CASE 15250: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the W/2 W/2 of Section 4, Township 25 South, Range 33 East, NMPM, Lea County and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Monet Fed Com No. 10H well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Lot 4) to a standard bottom hole location in SW/4 SW/4 (Unit M) of Section 4. The completed interval for this well will remain 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 27 miles West of Jal, New Mexico.
- CASE 15251: (This case will be continued to the January 8, 2015 Examiner Hearing.)
  Application Of WPX Energy Production, LLC For Approval Of The North Escavada Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, Sandoval, New Mexico. Applicant seeks approval of its North Escavada Unit consisting of approximately 4,480 acres of Federal and Allotted Indian lands situated in all or parts of the S/2 of Section 3, the S/2 of Section 4, the SE/4 of Section 5, the NE/4 of Section 8, all of Sections 9, 10, 11, and 12, the N/2 of Section 13, the N/2 of Section 14, and the N/2 of Section 15, Township 23 North, Range 7 West, Sandoval County, New Mexico. The unitized interval includes the Mancos formation at a depth of 3,715' down to the stratigraphic equivalent of the top of the Graneros formation at a depth of 5,575' as encountered in the Sandoval 22-7 No. 1-23 well in Section 23, Township 22 North, Range 7 West, N.M.P.M. (API No. 30-043-05150). In addition, Applicant seeks an order creating a new pool within the unitized interval for horizontal well development that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 4.5 miles South of Lybrook, New Mexico.
- 11. CASE 15230: (Continued from the November 20, 2014 Examiner Hearing.)

  Application of WPX Energy Production, LLC For Approval Of The West Lybrook Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, San Juan County New Mexico. Applicant seeks approval of its West Lybrook Unit consisting of approximately 8,017 acres of Federal and Allotted Indian lands situated in all or parts of Sections 6 8 of Township 23 North, Range 8 West and, Sections 11 15, 21 23, 27 28 and 33 of Township 23 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. The unitized interval is the stratigraphic equivalent of the interval defined by the top of the Mancos formation at a measured depth of 3,815' down to the base of the Greenhorn Limestone formation at a measured depth of 5,593' as encountered in the Davis Oil Company Chaco #6 well in Section 12, Township 23 North, Range 9 West, N.M.P.M. (API No. 30-045-05082) In addition, Applicant seeks an order creating a new pool within the unitized interval that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 1 mile South of Nageezi, New Mexico.
- 12. <u>CASE 15252</u>: Application of Chevron U.S.A. Inc. For Approval Of A 949.56 Acre Non-Standard Project Area Comprised Of Acreage Subject To A Communitization Agreement; Lea, New Mexico. Applicant seeks an order approving a 949.56 acre non-standard project area comprised of acreage subject to a communitization agreement covering all of Sections 29 and 32, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico. The subject acreage is located approximately 50 miles South of Jal, New Mexico.
- 13. CASE 15253: Application of Encana Oil & Gas (USA) Inc. for a non-standard spacing and proration unit, compulsory pooling, and unorthodox well location, Rio Arriba County, New Mexico. Applicant seeks an order (1) creating a non-standard, 320-acre spacing and proration unit comprised of the W/2 of Section 12, Township 23 North, Range 6 West, NMPM, Rio Arriba County; (2) pooling all mineral interests in the Gallup formation underlying this acreage; and (3) authorizing an unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed Lybrook O01-2306-01H well, which will be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 1 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 12. The completed interval for this well will commence in the NE/4 NW/4 (Unit C) and continue to the SE/4 SW/4 (Unit N) of Section 12. 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 Encana Oil & Gas (USA) Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles East of Nageezi, New Mexico.