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. <u>CASE 15250</u>: 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.
- 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.
- 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.