

AMENDED DOCKET: EXAMINER HEARING - THURSDAY – APRIL 16, 2015

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

Docket Nos. 12-15 and 13-15 are tentatively set for April 30, 2015 and May 14, 2015. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC 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 15262 - No. 18
Case 15263 - No. 16
Case 15265 - No. 10
Case 15266 - No. 1
Case 15267 - No. 2
Case 15273 - No. 5
Case 15274 - No. 4
~~Case 15276 - No. 12~~
Case 15280 - No. 17
Case 15281 - No. 13
Case 15282 - No. 14
Case 15283 - No. 15
Case 15285 - No. 3
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Case 15287 - No. 7
Case 15288 - No. 8
Case 15289 - No. 9
Case 15290 - No. 11

1. **CASE 15266:** (Continued from the March 19, 2015 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Jam Oil, LLC, directors, and officers, jointly and severally, finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.
2. **CASE 15267:** (Continued from the March 19, 2015 Examiner Hearing.)
Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against C O Fulton, directors, and officers, jointly and severally, finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.
3. **Case No. 15285:** *Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving a 160.07-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (the W/2 E/2) of Section 3, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the W/2 E/2 of Section 3 to form a non-standard 160.07 acre 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 **Yardbirds 3 D3BO Fee Well No. 1H**, a horizontal well with a surface location 185 feet from the north line and 2050 feet from the east line, and a terminus 330 feet from the south line and 2050 feet from the east line, of Section 3. 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 1-1/2 miles north of Malaga, New Mexico.

4. **CASE 15274:** (Continued from the April 2, 2015 Examiner Hearing.)
Application of Mewbourne Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 319.21 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the **Yardbirds 3 W2DM Fee Well No. 1H**, a horizontal well with a surface location 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval will be unorthodox. 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 1-1/2 miles north-northwest of Malaga, New Mexico.
5. **CASE 15273:** (Continued from the March 19, 2015 Examiner Hearing.)
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 N/2 S/2 of Section 10, Township 19 South, Range 31 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 **Hadar 10 Fed. Com. Well No. 3H**, a horizontal well with a surface location 2155 feet from the south line and 5 feet from the west line, and a terminus 1980 feet from the south line and 340 feet from the east line, of Section 10. The producing interval will be orthodox. 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 miles southeast of Loco Hills, New Mexico.
6. **Case No. 15286:** **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 S/2 S/2 of Section 10, Township 19 South, Range 31 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 **Hadar 10 Fed. Com. Well No. 4H**, a horizontal well with a surface location 544 feet from the south line and 95 feet from the west line, and a terminus 660 feet from the south line and 340 feet from the east line, of Section 10. The producing interval will be orthodox. 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 miles southeast of Loco Hills, New Mexico.
7. **Case No. 15287:** **Application of Apache Corporation for approval of a non-standard gas spacing and proration unit, Lea County, New Mexico:** Applicant seeks approval of a non-standard 80 acre gas spacing and proration unit in the North Eunice-San Andres Gas Pool comprised of the E/2 NE/4 of Section 17, Township 21 South, Range 37 East, NMPM. The unit will be dedicated to the **Lockhart A-17 Well No. 4** (aka the West Blinebry Drinkard Unit Well No. 67), located 660 feet from the north and east lines of Section 17. The unit is located approximately 3-1/2 miles north-northwest of Eunice, New Mexico.
8. **Case No. 15288:** (This case will be continued to the April 30, 2015 Examiner Hearing.)
Application of EOG Resources, Inc. for a non-standard spacing and proration unit, compulsory pooling, and approval of an unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a 160-acre spacing and proration unit comprised of the W/2 W/2 of Section 10, Township 25 South, Range 34 East, NMPM, Lea County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage; and (3) approving an unorthodox well location for the proposed well. Said non-standard unit is to be dedicated to applicant's proposed **Osprey 10 No. 701H Well** which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a bottom hole location in SW/4 SW/4 (Unit M) of Section 10. The completed interval for this well will commence 330 feet from the North line, 1140 feet from the West line (Unit D) to a location 330 feet from the South line, 1140 feet from the West line (Unit M). The proposed well therefore encroaches on the spacing and proration units to the Northeast, East, and Southeast of Section 10. 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