

4. **Case No. 15236 (re-opened): Application of Chevron Midcontinent, L.P. to amend Order R-13949 to approve a 120-acre non-standard spacing unit and non-standard project area, Lea County, New Mexico.** Applicant in the above-styled cause seeks to amend Order R-13949 to approved a 120-acre non-standard spacing and proration unit and non-standard project area comprised of the SW/4 NW/4 and the W/2 SW/4 of Section 11, Township 24 South, Range 34 East, N.M.P.M., Lea County, New Mexico. The entire W/2 W/2 of Section 11 is currently designated to the **Antelope Ridge 11-24-34 #3H Well** (30-025-42318), which was horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a bottom hole location 1274 feet from the north line and 991 feet from the West line (Unit D) of Section 11. Due to drilling problems, Chevron was unable to complete the well in the NW/4 NW/4 (Unit D) of Section 11. Said area is located approximately 3 miles North of Ochoa, New Mexico.

5. **Case No. 15305: (Continued from the May 28, 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 E/2 E/2 of Section 35, Township 24 South, Range 28 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 **Willow Lake 35 Fed. Com. Well No. 1H**, a horizontal well to be drilled at a surface location 235 feet from the south line and 1300 feet from the east line, with a terminus 330 feet from the north line and 660 feet from the east line, of Section 35. 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 4 miles south-southeast of Malaga, New Mexico.

6. **Case No. 15306: (Continued from the May 28, 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 W/2 E/2 of Section 35, Township 24 South, Range 28 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 **Willow Lake 35 Fed. Com. Well No. 2H**, a horizontal well to be drilled at a surface location 235 feet from the south line and 1350 feet from the east line, with a terminus 330 feet from the north line and 1980 feet from the east line, of Section 35. 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 4 miles south-southeast of Malaga, New Mexico.

7. **Case No. 15317: Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant 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 N/2 of Section 22, Township 22 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 N/2 of Section 22 to form a non-standard 160 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 **Grandi 22 Well No. 2H**, a horizontal well with a surface location 1360 feet from the north line and 255 feet from the west line, and a terminus 2265 feet from the north line and 330 feet from the west line, of Section 22. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2 miles north-northwest of Otis, New Mexico.

8. **Case No. 15318: Application of Anschutz Oil Company, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Rio Arriba County, New Mexico.** Anschutz Oil Company, LLC seeks an order approving a 650.32 acre non-standard oil spacing and proration unit in the Mancos formation (Gavilan-Mancos Pool) and Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of Lots 1-4, S/2 N/2, and S/2 (All) of Section 1, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and pooling all interests in the Mancos formation and Dakota formation underlying Section 1. Applicant proposes to drill its **Schmitz Well No. 1**, to a depth sufficient to test the Dakota formation, at a location 1708 feet from the south line and 949 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 Anschutz Exploration Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles northeast of Lindrith, New Mexico.

9. **Case No. 15319: Application of Anschutz Oil Company, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Rio Arriba County, New Mexico.** Anschutz Oil Company, LLC seeks an order approving a 640 acre non-standard oil spacing and proration unit in the Dakota formation (Gavilan Greenhorn-Graneros-Dakota Pool) comprised of All of Section 24, Township 24 North, Range 2 West, N.M.P.M., Rio Arriba County, New Mexico, and pooling all interests in the Mancos formation and Dakota formation underlying Section 24. Applicant proposes to drill its **Ponderosa Well No. 1**, to a depth sufficient to test the Dakota formation, at a location 2004 feet from the north line and 900 feet from the east line of Section 24. 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 Anschutz Exploration Corporation 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 southeast of Lindrith, New Mexico.

10. Case No. 15320: Application of Matador Production Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant 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 8, Township 19 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the **Hibiscus State Com. 08-19S-35E RN Well No. 124H**. The well is a horizontal well with a surface location 200 feet from the south line and 352 feet from the east line of adjoining Section 5. The penetration point will be 330 feet from the north line and 350 feet from the east line, with a final perforation 330 feet from the south line and 350 feet from the east line, and a terminus 260 feet from the south line and 350 feet from the east line, of Section 8. 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 12-1/2 miles west-northwest of Monument, New Mexico.

11. Case No. 15321: Application of Kaiser-Francis Oil Company to abolish Rules 2-6 of the Special Rules and Regulations for the Bell Lake-Bone Spring Pool, Lea County, New Mexico. The Bell Lake-Bone Spring Pool was created by Division Order R-738, and currently includes the following acreage:

<u>Township 23 South, Range 33 East, N.M.P.M.</u>	
Section 36:	All
<u>Township 23 South, Range 34 East, N.M.P.M.</u>	
Section 31:	All
Section 32:	All
<u>Township 24 South, Range 33 East, N.M.P.M.</u>	
Section 1:	All
Section 12:	All
<u>Township 24 South, Range 34 East, N.M.P.M.</u>	
Sections 5-8:	All

Division Order R-4539, as amended, established Special Rules and Regulations for the Bell Lake-Bone Spring Pool, providing in Rules 2-6 for 160 acre spacing, wells to be located no closer than 660 feet to a quarter section line, and a depth bracket allowable of 470 barrels of oil per day. Applicant requests that Rules 2-6 of the Special Rules and Regulations for the Bell Lake-Bone Spring Pool be abolished, so that well spacing, well locations, and the depth bracket allowable in the Pool will be governed by the Division's statewide rules, with the exception that existing 160 acre well units be grandfathered in. The Bell Lake-Bone Spring Pool is centered approximately 20-1/2 miles west-northwest of Jal, New Mexico.

12. Case No. 15322: Application of Key Energy Resources, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Brushy Canyon formation of the Delaware Mountain group at depths of 4082-5200 feet subsurface in the **Grace Carlsbad No. 1**, located 1980 feet from the south line and 660 feet from the east line of Section 36, Township 22 South, Range 26 East, NMPM. The well is located approximately 4 miles south of Carlsbad, New Mexico.

13. Case No. 15310: (Continued from the May 28, 2015 Examiner Hearing.)

Application Of COG Operating LLC For Approval Of A 640-Acre Non-Standard Project Area Comprised Of Acreage Subject To A Proposed State Communitization Agreement, Lea, New Mexico. Applicant in the above-styled cause seeks an order approving a 640-acre non-standard project area in the Bone Spring formation comprised of acreage subject to a proposed state communitization agreement covering all of Section 27, Township 21 South, Range 33 East, NMPM, Lea County, New Mexico. This acreage has been placed in the WC-025 G-06 S213323S; Bone Spring Pool (Pool Code 97929) and is subject to the Division's general statewide rules for oil development. The subject acreage is located approximately 22 miles west of Eunice, New Mexico.

14. Case No. 15295 (re-advertised): Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (i) creating a 200-acre non-standard oil spacing and proration unit (project area) comprised of the W/2 NE/4 and NW/4 SE/4 of Section 5, Township 25 South, Range 35E and the W/2 SE/4 of Section 32, Township 24 South, Range 35 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Skull Cap State Com #2H well**, which will be horizontally drilled from a surface location in the W/2 SE/4 (Unit J) of Section 32, Township 24 South, Range 35 East to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 32. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately five miles west of Ochoa, New Mexico.