

**DOCKET: EXAMINER HEARING - THURSDAY – JULY 9, 2015**

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 21-15 and 22-15 are tentatively set for July 23, 2015 and August 6, 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 15280 - No. 11******Case 15290 - No. 3******Case 15303 - No. 13******Case 15304 - No. 14******Case 15307 - No. 12******Case 15327 - No. 5******Case 15328 - No. 6******Case 15332 - No. 7******Case 15339 - No. 1******Case 15340 - No. 2******Case 15341 - No. 4******Case 15342 - No. 8******Case 15343 - No. 9******Case 15344 - No. 10***

1. ***Case No. 15339: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 30, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico 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 **Ice Dancer Fed Com 2H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 30 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 30. 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 10 miles southeast of Loving, NM.

2. ***Case No. 15340: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Lower Bone Spring formation (Querecho Plains-Lower Bone Spring Pool) comprised of the W/2 E/2 of Section 28, Township 18 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Lower Bone Spring formation underlying the W/2 E/2 of Section 28 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the **Querecho 28 OB Fed. Com. Well No. 1H**, a horizontal well with a surface location 170 feet from the south line and 1420 feet from the east line, and a terminus 333 feet from the north line and 2226 feet from the east line, of Section 28. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9-1/2 miles south of Maljamar, New Mexico.

3. ***Case No. 15290: (Continued from the May 14, 2015 Examiner Hearing. This case will be dismissed.) Application of RKI Exploration and Production for compulsory pooling and approval of an unorthodox well location, Eddy County, New Mexico.*** Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 25, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. This 320-acre standard unit is to be dedicated to applicant's **RDX 25 Fed Com No. 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 25. The completed interval for this well will commence 330 feet from the North line and 1700 feet from the West line (Unit C) to a location 330 feet from the South line and 1700

feet from the West line (Unit N) of Section 25, thereby encroaching the spacing units to the North and South. 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 RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles Southwest of Ross Place, New Mexico.

4. **Case No. 15341:** *Application of RKI Exploration and Production for compulsory pooling and approval of an unorthodox well location, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 17, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico. This 320-acre standard unit is to be dedicated to applicant's **RDX Federal Com 17 26H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a non-standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 17. The completed interval for this well will commence 330 feet from the South line, 1980 feet from the East line (Unit O) to a location 330 feet from the North line, 1980 feet from the East line (Unit B) of Section 17, thereby encroaching the spacing units to the North and South. 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 RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 9.5 miles Southwest of Ross Place, New Mexico.

5. **Case No. 15327:** *(Continued from the June 25, 2015 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 200-acre, more or less, spacing and proration unit comprised of the S/2 N/2 of Section 9 and the SW/4 NW/4 (Unit E) of Section 10, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all mineral interests in the Yeso formation underlying this unit from a depth of 5000' to the base of the Blinberry. Said non-standard unit is to be dedicated to applicant's proposed **Sneed 9 Federal Com No. 23H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) of Section 9 to a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 10. 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 .5 miles south of Maljamar, NM.

6. **Case No. 15328:** *(Continued from the June 25, 2015 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a 200-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 9 and the SW/4 SW/4 (Unit M) of Section 10, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Branex-COG Federal Com 18H well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 9 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 10. This acreage is located within the Maljamar, Yeso West Pool (44500) and the completed interval for this well will remain within the 330-foot standard offset required by the Division's Statewide 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 1 mile south of Maljamar, New Mexico.

7. **Case No. 15332:** *(Continued from the June 25, 2015 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 16, Township 18 South, Range 30 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 **Cookie Tosser State Com No. 2H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 16. The completed interval for this well will begin in the NW/4 NE/4 (Unit B) and terminate in the SW/4 SE/4 (Unit O). The completed interval for this well will also 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 5 miles south of Loco Hills, NM.

8. **Case No. 15342:** *Application of Yates Petroleum Corporation for approval of an Exploratory Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Tomorrow State Exploratory Unit for all formations from the surface to the base of the Wolfcamp formation in an area comprising 1,920.76 acres, more or less, of State of New Mexico land situated in Sections 35 and 36, Township 23 South, Range 35 East, N.M.P.M. and Section 2, Township 24 South, Range 35 East, N.M.P.M., in Lea County. The proposed exploratory unit is located 10 miles northwest of Jal, New Mexico.