

Examiner Hearing – November 12, 2015

Docket No. 34-15

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formation underlying the SW/4 NE/4 and S/2 NW/4 of Section 12 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Nosler 12 Fed. EG Well No. 6H**, a horizontal well with a surface location in the SE/4 NE/4 of adjoining Section 11, a first take point at an orthodox location in the SW/4 NW/4 of Section 12, and a terminus at an orthodox location in the SW/4 NE/4 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 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 9-1/2 miles east-northeast of Loco Hills, New Mexico.

10. Case No. 15406: 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 Wolfcamp formation comprised of the W/2 W/2 of Section 9, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 W/2 of Section 9 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Salado Draw 9 WIDM Fed. Com. Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the SW/4 SW/4, of Section 9. 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 23-1/2 miles west of Bennett, New Mexico.

11. Case No. 15407: Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company 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 31, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 S/2 of Section 31 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Pavo Macho 31 B2MP Fed. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the SE/4 SE/4, of Section 9. 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 11-1/2 miles southwest of Loco Hills, New Mexico.

12. Case No. 15408: Application of Apex Disposal Services, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving produced water disposal into the Devonian formation at a depth of 15,100-15,600 feet subsurface in the **Mobley Ranch SWD Well No. 1**, to be located 225 feet from the north line and 2460 feet from the west line of Section 19, Township 23 South, Range 30 East, NMPM. The well is located approximately 7 miles northeast of Harroun, New Mexico.

13. Case No. 15409: Application of Devon Energy Production Company, L.P. for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks an order (i) creating a new pool for horizontal development of the Bone Spring formation, designated the **Burton Flat-Bone Spring (Horizontal) Pool**, and (ii) instituting special rules and regulations for the pool. The new pool will initially include Sections 10 and 11 of Township 21 South, Range 27 East, NMPM. The special rules will include standard 320 acre oil spacing and proration units, special well location requirements, a depth bracket allowable of 3500 barrels of oil per day for a standard 320 acre unit, and a gas:oil ratio of 5000:1. The proposed pool is centered approximately 6 miles north-northeast of Carlsbad, New Mexico.

14. Case No. 15370: (Continued from the September 17, 2015 Examiner Hearing.)
Application of Permian TDS, LLC, for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order for a salt water disposal well in its **Canadian Kenwood Fed#1**, located 660' FSL and 1980' FWL, Unit N, Section 17, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The well is located approximately 8 miles south of Maljamar, New Mexico.

15. Case No. 15345: (Continued from the October 1, 2015 Examiner Hearing.)
Application of LG&S Oil Company, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Queen formation at depths of 3280 feet to 3570 feet subsurface in the **Keohane B Federal 3 Well**, located 1980 feet from the North line and 1980 feet from the West line, Unit F, of Section 28, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 10 miles south of Maljamar, New Mexico.

16. Case No. 15385: (Continued from the October 29, 2015 Examiner Hearing.)
Application of WPX Energy Production, LLC for approval of a non-standard 120-acre spacing unit in the Basin Mancos Gas Pool, creation of a non-standard 240-acre spacing unit for compulsory pooling, approval of an unorthodox well location, and approval of WPX's request to downhole commingle production from the Basin Mancos Gas Pool (97232) and the Lybrook Gallup Pool (42289), Section 12, Township 23 North, Range 8 West, San Juan County, and Section 7, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 120-acre non-standard

spacing and proration unit in the Basin Mancos Gas Pool comprised of the N/2 SW/4 and NW/4 SE/4 of Section 12; (2) creating a 240-acre non-standard spacing unit comprised of the N/2 S/2 of Section 12 and the N/2 SW/4 of Section 7, and pooling all mineral interest owners in the Mancos formation underlying said spacing unit; (3) approving WPX's request to downhole commingle production from the Basin Mancos Gas Pool (97232) and the Lybrook Gallup Pool (42289); and (4) approving an unorthodox well location for the proposed **Chaco 2307-07N 409H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7 to a non-standard bottom hole location in the NW/4 SW/4 (Unit L) of Section 12. The completed interval will commence 1680 feet from the South line, 2114 feet from the West line (Unit K) to a location 2326 feet from the South line, 390 feet from the West line (Unit L). 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3.5 miles West of Lybrook, New Mexico.

17. Case No. 15386: (Continued from the October 29, 2015 Examiner Hearing.)

Application of WPX Energy Production, LLC for approval of a non-standard 120-acre spacing unit in the Basin Mancos Gas Pool, creation of a non-standard 240-acre spacing unit for compulsory pooling, approval of an unorthodox well location, and approval of WPX's request to downhole commingle production from the Basin Mancos Gas Pool (97232) and the Lybrook Gallup Pool (42289), Section 12, Township 23 North, Range 8 West, San Juan County, and Section 7, Township 23 North, Range 7 West, NMPM, Rio Arriba County, New Mexico. Applicant in the above-styled cause seeks an order (1) approving a 120-acre non-standard spacing and proration unit in the Basin Mancos Gas Pool, comprised of the S/2 SW/4 and SW/4 SE/4 of Section 12; (2) creating a 240-acre non-standard spacing unit comprised of the S/2 S/2 of Section 12 and the S/2 SW/4 of Section 7, and pooling all mineral interest owners in the Mancos formation underlying said spacing unit; (3) approving WPX's request to downhole commingle production from the Basin Mancos Gas Pool (97232) and the Lybrook Gallup Pool (42289); and (4) approving an unorthodox well location for the proposed **Chaco 2307-07N 410H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 7 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 12. The completed interval will commence 380 feet from the South line, 2113 feet from the West line (Unit N) to a location 1125 feet from the South line, 390 feet from the West line (Unit M). 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3.5 miles West of Lybrook, New Mexico.

18. Case No. 15398: (Continued from the October 29, 2015 Examiner Hearing.)

Application of BC Operating, Inc. for Authorization to Inject, Lea County, New Mexico. Applicant seeks an order authorizing the injection of water for disposal into the Cherry Canyon member of the Delaware Mountain Group formation in the following well:

Pearson #1 SWD (API # 30-025-24438)

1980' FNL & 660' FEL (Unit H)

Section 33

T-21-S, R-33-E, NMPM

Lea County, New Mexico

Applicant proposes to reconfigure the well at the above location and utilize it for injection of produced water at depths of 5,790' to 6,970' subsurface. The well is located approximately 15 miles West of Eunice, New Mexico.