

Examiner Hearing – November 12, 2015

Docket No. 34-15

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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.