

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 7, 2016

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

Docket Nos. 02-16 and 03-16 are tentatively set for January 21, 2016 and February 4, 2016. 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 15345 - No. 9******Case 15397 - No. 12******Case 15410 - No. 8******Case 15412 - No. 2******Case 15413 - No. 5******Case 15416 - No. 4******Case 15422 - No. 6******Case 15427 - No. 10******Case 15428 - No. 11******Case 15429 - No. 1******Case 15430 - No. 3******Case 15431 - No. 7***

1. ***Case No. 15429: 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 Wolfcamp formation comprised of Lot 4, SW/4 NW/4, and W/2 SW/4 (the W/2 W/2) of Section 1, Township 23 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp 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 **Tomb Raider 1 Fed. Well No. 2H**, a horizontal well to be drilled at a surface location 200 feet from the north line and 1360 feet from the west line, with a terminus 330 feet from the south line and 660 feet from the west 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 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 21 miles east-northeast of Malaga, New Mexico.

2. ***Case No. 15412: (Continued from the December 17, 2015 Examiner Hearing.)***

Application of Devon Energy Production Company, L.P. for pool contraction, pool creation, and special pool rules, Eddy County, New Mexico. Applicant seeks an order creating a new pool for development of the Bone Spring formation, designated the West Parkway-Bone Spring Pool, to initially include Sections 20-22 and 27-29 of Township 19 South, Range 29 East, NMPM. Applicant further seeks the contraction of the Scanlon Draw-Bone Spring Pool, Turkey Track-Bone Spring Pool, and Parkway-Bone Spring Pool so that they do not include any acreage described above. Finally, applicant seeks special rules and regulations for the pool, including standard 40 acre vertical oil spacing and proration units, standard 320 acre horizontal oil spacing and proration units, special well location requirements for horizontal wells, special depth bracket allowables, and a gas:oil ratio of 10000:1. The proposed pool is centered approximately 13-1/2 miles south-southwest of Loco Hills, New Mexico.

3. ***Case No. 15430: Application of Cimarex Energy Co. of Colorado to Change the Setback Requirements in the Wolfcamp Formation Within Townships 24S, 25S, 26S and Ranges 25E, 26E, and 27E, N.M.P.M., Eddy County, New Mexico,*** to expand pool boundaries, and to establish the Crooked Creek Wolfcamp Gas (East) Pool, the Black River, Wolfcamp, Southwest (Gas) Pool, and Create the Welch, Wolfcamp Pool, the Milepost, Wolfcamp (Gas) Pool, and the Milepost, Wolfcamp, Northeast (Gas) Pool in Eddy County, New Mexico. Applicant seeks an order approving: (1) a modification to the setback requirements in the current and proposed Wolfcamp pools included in Townships 24S, 25S, 26S, Ranges 25E, 26E, 27E, N.M.P.M. Eddy County, New Mexico, to require wells to be located no closer than 330 feet to the outer boundary of a spacing unit; (2) an expansion of the boundaries of the White City, Wolfcamp Southwest (Gas) Pool (97766); White City, Wolfcamp South (Gas) Pool (97592); Sage Draw, Wolfcamp (Gas) Pool (84407); Sage Draw, Wolfcamp East (Gas) Pool (96890); Black River, Wolfcamp Pool

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Sec. 11: NE/4 NE/4
Sec. 2: Lots 1, 2, 3, 4, S/2 NE/4 & SW/4
Sec. 3: Lots 1, 2, 3, 4, S/2 N/2 & S/2
Sec. 10: ALL
Sec. 11: W/2, W/2 E/2, E/2 SE/4, NE/4
Sec. 2: W/2 SE/4
Sec. 2: E/2 SE/4
Sec. 1: Lots 1, 2, S/2 NE/4, N/2 SE/4, SW/4 SE/4
Sec. 1: SE/4 SE/4
Sec. 2: S/2 NW/4
Sec. 1: Lots 3, 4, S/2 NW/4, SW/4 (W/2)
Sec. 12: E/2
Sec. 12: SW/4
Sec. 12: NW/4

Applicant also seeks the creation of a new pool for horizontal development within the unit area with vertical limits coterminous with the unitized formation and providing for 330 foot exterior boundary setbacks for completed intervals of horizontal wells drilled within the unit. The unitized interval extends from the stratigraphic equivalent of the top of the Mancos Formation located at a depth of 4,270' to the base of the Greenhorn (i.e. Graneros) Formation at a depth of 5,797 feet as encountered in the Energen Resources Navajo-D No. 1-E Well (API No. 30-045-254040000) located in NW/4 SW/4 of Section 1, Township 27 North, Range 13 West, N.M.P.M. in San Juan County. The subject lands are located approximately 4 miles southeast of NAPI Headquarters, New Mexico.

9. Case No. 15345: (Continued from the December 17, 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.

10. Case No. 15427: (Continued from the December 17, 2015 Examiner Hearing.)

Application Of Yates Petroleum Corporation For Approval Of The Wolverine Federal State Exploratory Unit, Lea County, New Mexico. Applicant seeks approval of its Wolverine Federal State Exploratory Unit consisting of approximately 2,320.96 acres of State and Federal lands in Lea County, New Mexico, comprised of the following acreage:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, N.M.P.M.

Section 6: Lots 6, 7, E/2 SW/4 and SE/4 (S/2)

Section 7: Lots 1, 2, 3, 4, E/2 W/2, E/2 (All)

Section 17: All

Section 18: All

The unitized interval is the surface to the base of the Wolfcamp formation. The subject acreage is located approximately 19.14 miles southwest of Eunice, New Mexico.

11. Case No. 15428: (Continued from the December 17, 2015 Examiner Hearing.)

Application Of WPX Energy Production, LLC For Approval Of The Ridge Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, San Juan County, New Mexico. Applicant seeks approval of its Ridge Unit consisting of approximately 2,080 acres of Federal lands situated in all or parts of the Sections 22-25 Township 24 North, Range 8 West, San Juan County, New Mexico. The unitized interval includes the Mancos formation at a measured depth of 4,312 feet down to the stratigraphic equivalent of the top of the Graneros formation at a measured depth of 6,115 feet as encountered in the **Bright Angel #1 Well** in Section 27, Township 24, Range 8 West, N.M.P.M. In addition, Applicant seeks an order creating a new pool within the unitized interval for horizontal well development that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 5 miles northeast of Nageezi, New Mexico.

12. Case No. 15397: (Continued from the December 3, 2015 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. to revoke injection authority, Lea County, New Mexico. Applicant seeks an order revoking injection authority for the **Diamond 34 State Well No. 1** (API No. 30-025-33387), a salt water disposal well located 990 feet from the South line and 1,650 feet from the West line (Unit Letter N) of Section 34, Township 22 South, Range 33 East, NMPM, Lea County, New Mexico. The authority was granted by Administrative Order and Corrected Administrative Order SWD-640. The well is located approximately 20-1/2 miles southwest of Oil Center, New Mexico.