

AMENDED DOCKET: EXAMINER HEARING - THURSDAY - JUNE 23, 2016

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

Docket Nos. 27-16 and 28-16 are tentatively set for July 7, 2016 and July 21, 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 15310 - No. 3****Case 15452 - No. 9****Case 15453 - No. 10****Case 15454 - No. 11****Case 15455 - No. 12****Case 15476- No. 8****Case 15487- No. 1****Case 15490 - No. 7****Case 15492 - No. 6****Case 15499 - No. 5****Case 15500 - No. 2****Case 15501 - No. 4**

1. **Case No. 15487:** (Continued from the June 15, 2016 Special Examiner Hearing.)

Application of The Oil Conservation Division for Adoption of Special Pool Rules for Drilling New Wells in Certain Areas, for the Protection of Fresh Water, Chaves and Eddy Counties, New Mexico. The Division, by its Third Amended Application (Application) in this case, seeks an order establishing special casing and cementing requirements for the drilling of new wells in the Designated Area overlying the Raton Artesian Basin designated by the State Engineer. The wells affected by the Application are wells to be located in the Designated Area, as described in Exhibit "A" hereto. The pools, or common sources of supply, that may be affected by the granting of the application in this case are listed in Exhibit "B" attached hereto.

2. **Case No. 15500:** ***Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order (i) creating a 240-acre non-standard oil spacing and proration unit (project area) comprised of the S/2 S/2 of Section 25, Township 18 South, Range 28 East and the S/2 SE/4 of Section 26, Township 18 South, Range 28 East, NMPM, in Eddy 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 Lajitas BWQ State Com #1H well, which will be horizontally drilled from a surface location in Unit O of Section 26, Township 18 South, Range 28 East to a bottom hole location in Unit P of Section 25, Township 18 South, Range 28 East. 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 eleven miles southwest of Loco Hills, New Mexico.

3. **Case No. 15310 (re-opened):** ***Application of COG Operating LLC To Re-Open Case No. 15310 to Contract the Non-Standard Project Area To Conform With The Boundaries Of Acreage Subject To A Proposed State Communitization Agreement, Lea County, New Mexico.*** Applicant in the above-styled cause seeks to amend Division Order No. R-14033 to contract the non-standard project area in the Bone Spring formation to conform to the boundaries of a proposed state communitization agreement covering the W/2 and W/2 E/2 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.

EXHIBIT A

T 5S R23E – Sec 31-36, T5S R24E, Sec 31-34

T6S R22E – Sec 1, 11-14, 23-26, 35-36, T6S R23E – All, T6S R24# Sec 4-9, 16-21,28-33

T 7S R21E - All, T 7S R22E - All, T7S R23E - All, T7S R24E - Sec 4-9, 16-21, 27-34

T 8S R21E - All, T 8S R22E - All, T8S R23E - All, T8S R24E - Sec 2-11, 13-36, T8S R25E - Sec 30 & 31

T 9S R21E - All, T 9S R22E - All, T9S R23E - All, T9S R24E – All, T9S R25E - Sec 6-8, 18-20, 29-33

T 10S R21E - All, T 10S R22E - All, T10S R23E - All, T10S R24E - All, T10S R25E Sec 4-10, 14-24, 26-35

T11S R21E - All, T11S R22E - All, T11S R23E - All, T11S R24E - All, T11S R25E - Sec 2-11, 14-23, 26-36

T12S R21E - All, T12S R21 ½ E – All, T12S R22E - All, T12S R23E - All, T12S R24E - All, T12 R25E - All,
T12S- R26E Sec 5-8, 16-20, 26-35

T13S R21E - All, T13S R22E - All, T13S R23E - All, T13S R24E - All, T13S R25E – All, T13S R26E - Sec 2-11,
14-23, 27-35

T14S R21E - All, T14S R22E - All, T14S R23E - All, T14S R24E - All, T14S R25E – All, T14S R26E - All

T15S R21E - All, T15S R22E - All, T15S R23E - All, T15S R24E - All, T15S R25E – All, T15S R26E Sec 1-11,
14-23, 27-33

T16S R21E - All, T16S R23E - All, T16S R24E - All, T16S R25E - All, T16S R26E – All, T16S R27E Sec 19 &
30

T17S R21E - All, T17S R23E - All, T17S R24E - All, T17S R25E - All, T17S R26E – All, T17S R27E Sec 5-8,
18, 19, 30, 31

T18S R20E – Sec24-25, 35-36, T18S R21E – All, T18S R23E - All, T18S R24E - All, T18S R25E - All T18S
R26E - All, T18S R27E - Sec 6,7, 18, 19, 30, 31

T19 ½ S R24E - All

T19S R23E - All, T19S R24E - All, T19S R25E - All T19S R26E - All, T19S R27E - Sec 5-8, 18,19

T19S R20E – Sec 1-3, 10-13, 23-24, T19S R21E – All, T20S R23E - All, T20S R24E - All, T20S R25E - All,
T20S R26E - Sec 1-12, 14-23, 28-32

T20.5S R22E - All, T20.5S R23E - All

T21S R22E – All, T21S R23E – All, T21S R24E – Sec 1-23, 25-34, T21S R25E – Sec 2-7

T22S R22E – Sec 1-5, 8-17, 20-29, 31-36, T22S R23E – Sec 1-35, T22S R224E – Sec 5-7

T23S R22E – 1-5, 7-12, T23S R23E, Sec 5-7

DESCRIPTIONS IN RED FONT INDICATE LANDS ADDED TO DESIGNATED AREA IN 3RD AMENDED APPLICATION.

Exhibit B

96627	ANTELOPE SINK; ABO GAS	Gas (Non-prorated)
96639	ANTELOPE SINK; ABO, WEST GAS	Gas (Non-prorated)
96827	ANTELOPE SINK; ATOKA	Gas (Non-prorated)
97069	ANTELOPE SINK; STRAWN (G)	Gas (Non-prorated)
70460	ANTELOPE SINK; MORROW (GAS)	Gas (Non-prorated)
70480	ANTELOPE SINK; MORROW, NORTH (GAS)	Gas (Non-prorated)
70520	ANTELOPE SINK; UPPER PENN (GAS)	Gas (Non-prorated)
70680	ATOKA; CISCO, WEST (GAS)	Gas (Non-prorated)
3250	ATOKA; GLORIETA-YESO	Oil
3420	ATOKA; GRAYBURG	Oil
70760	ATOKA; MORROW, WEST (GAS)	Gas (Non-prorated)
70800	ATOKA; PENN	Gas (Non-prorated)
3610	ATOKA; SAN ANDRES	Oil
70820	ATOKA; UPPER PENN, WEST (GAS)	Gas (Non-prorated)
96506	BERRENDO; ABO (GAS)	Gas (Non-prorated)
72670	BORDER HILL; ABO (GAS)	Gas (Non-prorated)
96458	BOYD; STRAWN	Gas (Non-prorated)
7250	BOYD; CANYON	Oil
72800	BOYD; CISCO (GAS)	Gas (Non-prorated)
72840	BOYD; MORROW (GAS)	Gas (Non-prorated)
72850	BOYD; PERMO PENN (GAS)	Gas (Non-prorated)
97127	BUZZARD CANYON; WOLFCAMP (G)	Gas (Non-prorated)
96478	CANYON; WOLFCAMP, N.	Oil
8450	CANYON; WOLFCAMP	Oil
74270	CASS DRAW; WOLFCAMP (GAS)	Gas (Non-prorated)
74635	CEMETARY; ATOKA, NORTH (GAS)	Gas (Non-prorated)
74640	CEMETARY; MORROW (GAS)	Gas (Non-prorated)
74650	CEMETARY; STRAWN (GAS)	Gas (Non-prorated)
74680	CEMETARY; WOLFCAMP (GAS)	Gas (Non-prorated)
11790	CEMETERY; GRAYBURG-SAN ANDRES	Oil
74760	CEMETERY; WOLFCAMP, NORTH (GAS)	Gas (Non-prorated)
97342	CHINA DRAW; WOLFCAMP GAS	Gas (Non-prorated)
96623	COLLINS RANCH; WOLFCAMP, NE. GAS	Gas (Non-prorated)
75010	COLLINS RANCH; WOLFCAMP (GAS)	Gas (Non-prorated)
75245	COTTONWOOD CREEK; ATOKA, EAST (GAS)	Gas (Non-prorated)
75255	COTTONWOOD CREEK; WC, EAST (GAS)	Gas (Non-prorated)
75260	COTTONWOOD CREEK; WC, WEST (GAS)	Gas (Non-prorated)
75250	COTTONWOOD CREEK; WOLFCAMP (GAS)	Gas (Non-prorated)
96793	DAGGER DRAW STRAWN, EAST (G)	Gas (Non-prorated)
97492	DAGGER DRAW; WOLFCAMP	Oil
15400	DAGGER DRAW; SAN ANDRES, WEST	Oil
15475	DAGGER DRAW; UP PENN, SOUTH (ASSOC)	Associated

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