

DOCKET: EXAMINER HEARING - THURSDAY - JULY 21, 2016

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

Docket Nos. 31-16 and 32-16 are tentatively set for August 4, 2016 and August 18, 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 15030 - No. 13
Case 15256 - No. 14
Case 15295 - No. 1
Case 15465 - No. 15
Case 15502 - No. 2
Case 15507 - No. 3
Case 15508 - No. 4
Case 15509 - No. 5
Case 15510 - No. 6
Case 15511 - No. 7
Case 15512 - No. 8
Case 15513 - No. 9
Case 15515 - No. 10
Case 15516 - No. 11
Case 15517 - No. 12
Case 15518 - No. 16
Case 15519 - No. 17

1. ***Case No. 15295 (re-opened): Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant requests the re-opening of Case No. 15295 for purposes of amending Order No. R-14003 by: (i) expanding the previously-approved non-standard oil spacing and proration unit (project area), (ii) creating a 240-acre project area comprised of the W/2 E/2 of Section 5, Township 25 South, Range 35 East and the W/2 SE/4 of Section 32, Township 24 South, Range 35 East, NMPM, in Lea County, and (iii) pooling all mineral interests in the WC-025 6-09 5243532M; Wolfbone Pool (pool code 98098) underlying this acreage. The project area is to be dedicated to applicant's **Skull Cap Fed Com #22H well**, which will be horizontally drilled from a surface location in Unit J of Section 32, Township 24 South, Range 35 East to a bottom hole location in Unit O of Section 5, Township 25 South, Range 35 East. 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 five miles west of Ochoa, New Mexico.

2. ***Case No. 15502: (Continued from the July 7, 2016 Examiner Hearing.) Application of Matador Production Company for compulsory pooling and approval of an unorthodox gas well location, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 30, Township 23 South, Range 28 East, NMPM, for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Black River-Wolfcamp Gas Pool. The unit will be dedicated to the **Jim Tom Lontos 30-23S-28E RB Well No. 221H**, a horizontal well with a surface location 492 feet from the south line and 467 feet from the west line of Section 30. The producing interval will be unorthodox, with the first perforation 330 feet from the south and west lines, and the last perforation 330 feet from the north and west lines, of Section 30. 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 Matador Production Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 2 miles southwest of Loving, New Mexico.

3. ***Case No. 15507: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.*** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 319.21-acre gas spacing and

proration unit for all pools or formations developed on 320-acre spacing within that vertical extent. The unit will be dedicated to the **Yardbirds 3 W2DM Fee Well No. 1H**, a horizontal well with a surface location 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval are unorthodox. 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 1-1/2 miles north-northwest of Malaga, New Mexico.

4. **Case No. 15508: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 27, Township 23 South, Range 28 East, NMPM, for all pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the **Speedwagon 27 W2DM Fee Well No. 1H**, a horizontal well with a surface location 190 feet from the north line and 660 feet from the west line, the first take point 590 feet from the north line and 698 feet from the west line, and a terminus 330 feet from the south line and 660 feet from the west line, of Section 27. The location is unorthodox. 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 1 mile southeast of Loving, New Mexico.

5. **Case No. 15509: 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 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 17 and the W/2 NW/4 of Section 20, Township 21 South, Range 35 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit is to be dedicated to the **Birdog 20/17 B2ED State Com. Well No. 1H**, a horizontal well with a surface location 2380 feet from the north line and 660 feet from the west line of Section 20, and a terminus 330 feet from the north line and 450 feet from the west line of Section 17. 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 14 miles west-northwest of Eunice, New Mexico.

6. **Case No. 15510: Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 479.80-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 33, Township 23 South, Range 28 East, NMPM, and Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 4, Township 24 South, Range 28 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Foreigner 33/4 W2JO Fee Com. Well No. 1H**, a horizontal well with a surface location 2450 feet from the south line and 2310 feet from the east line of Section 33, and a terminus 330 feet from the south line and 2310 feet from the east line of Section 4. The producing interval will be unorthodox. 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 2 miles northwest of Malaga, New Mexico.

7. **Case No. 15511: Application of Mewbourne Oil Company for a nonstandard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 480.20-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the SW/4 of Section 33, Township 23 South, Range 28 East, NMPM, and Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 4, Township 24 South, Range 28 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Foreigner 33/4 W2LM Fee Well No. 1H**, a horizontal well with a surface location 2450 feet from the south line and 450 feet from the west line of Section 33, and a terminus 330 feet from the south line and 450 feet from the west line of Section 4. The producing interval will be unorthodox. 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 2-1/2 miles northwest of Malaga, New Mexico.

8. **Case No. 15512: Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 159.95-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (the W/2 E/2) of Section 3, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the W/2 E/2 of Section 3. The unit will be dedicated to the **Yardbirds 3 D3BO Fee Well No. 1H**, a horizontal well with a surface location 185 feet from the north line and 2050 feet from the east line, and a terminus 330 feet from the south line and 2050 feet from the east line, of Section 3. Also to be considered will be the cost of drilling and