

Examiner Hearing – July 20, 2017

Docket No. 25-17

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the risk involved in drilling and completing the well. The unit is located approximately 12 miles west-southwest of Oil Center, New Mexico.

33. **Case No. 15660:** (Continued from the June 22, 2017 Examiner Hearing.)

Application of GMT Exploration Company LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. GMT Exploration Company LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 2, Township 22 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area). The unit will be dedicated to the **Squeeze State Com. Well No. 1H**, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 2. The beginning and end of the productive interval will be orthodox. 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 12 miles west-southwest of Oil Center, New Mexico.

34. **Case No. 15741:** (Continued from the July 6, 2017 Examiner Hearing.)

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 E/2 E/2 of Section 35 and the E/2 SE/4 of Section 26, Township 22 South, Range 31 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 **Tankless Federal Com #2H well**, which will be horizontally drilled from a surface location in Unit P of Section 35 to a bottom hole location in Unit I of Section 26, Township 22 South, Range 31 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 twenty-nine (29) miles east of Carlsbad, New Mexico.

35. **Case No. 15723:** (Continued from the June 22, 2017 Examiner Hearing.)

Application of OWL SWD Operating, LLC for Authorization to Inject, Lea County, New Mexico. Applicant seeks an order authorizing the injection of water for disposal into the Yates-Seven Rivers formation in Lea County, New Mexico in the following well:

Bobcat SWD No. 1
740' FSL & 705' FEL (Unit P)
Section 25
T-25S, R-36E, NMPM
Lea County, New Mexico

Applicant proposes to drill the well at the above location and use it for injection of produced water at depths of 2,915 to 3,060 feet subsurface. The well is located approximately one mile west of Jal, New Mexico.

36. **Case No. 15753:** (Continued from the July 6, 2017 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a compliance order against OWL SWD Operating, LLC for the Maralo Sholes B Well No. 2 operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, seeks a compliance order (1) determining that operator, OWL SWD Operating, LLC ("Operator") is out of compliance with 19.15.16.9 NMAC with respect to its **Maralo Sholes B Well No. 2 (API No. 30-025-09806)** in Lea County, New Mexico; (2) requiring Operator to return said well to compliance with 19.15.16.9 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order after the deadline established in the sought order to suspend injection authority. The subject well injects into the SWD; Yates/Seven Rivers Pool and is located approximately one mile southwest of Jal, New Mexico.

37. **Case No. 15750:** (Continued from the July 6, 2017 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Nordstrand Engineering, Inc., for Wells Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Nordstrand Engineering, Inc. ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

38. **Case No. 15751:** (Continued from the July 6, 2017 Examiner Hearing.)

Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Pecos River Operating, Inc., for Wells Operated in Chaves County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the