## Examiner Hearing –October 30, 2008 Docket No. 38-08 Page 5 of 14

## T-22-S, R-37-E, NMPM

Applicant proposes to evaluate this well for injection of acid gas and water through a closed system into the lower San Andres formation, Eunice-San Andres Pool, through an open-hole completion at depths of 4,131' to 4,900'.

As an alternative to the conversion of the Eunice Plant 161 SWD Well No. 1, Applicant proposes to drill a new well for acid-gas injection operations at the following location in Section 3:

Eunice Middle-Plant AGI Well No. 1 1557' FNL and 1345' FEL Section 3: SW/4 NE/4 (Unit G) T-22-S, R-37-E, NMPM

For the Eunice Middle-Plant AGI Well No. 1, Applicant proposes to inject acid gas and water through a closed system into the lower San Andres formation via an open-hole completion at a depth interval of 4,500' to 5,000'. Injection operations through either well will be conducted at an anticipated maximum surface injection pressure of 2,000 psi or as permitted by the Division. Applicant proposes injection of acid-gas at average daily rates of approximately 2,200 bbls and at maximum daily rates of approximately 2,500 bbls. Additional injection of produced water and non-hazardous wastewater will range from 250 to 1,575 barrels per day, for a total injection volume of 2,450 to 4,075 barrels per day. The subject lands are located approximately one-half mile south of Eunice, New Mexico.

- 2. CASE 14203: Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Chaves County, New Mexico (Taurus Federal Well No. 1). Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the S/2 S/2 of said Section 10 to be dedicated to its Taurus Federal Well No. 1 to be drilled horizontally from a surface location 330' from the South line and 330' from the West line to a bottom hole location 330' from the South line and 330' from the East line of Section 10 to a depth sufficient to test the Wolfcamp formation. 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.
- Unit and for Compulsory Pooling, Chaves County, New Mexico (Taurus State Com Well No. 2). Applicant seeks an order consolidating the 40-acre spacing units within the N/2 S/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Wolfcamp formation underlying the N/2 S/2 of said Section 10 to be dedicated to its Taurus State Com Well No. 2 to be drilled horizontally from a surface location 1980' from the South line and 330' from the East line to a bottom hole location 1980' from the South line and 430' from the West line of Section 10 to a depth sufficient to test the Wolfcamp formation. 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 COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 12 miles northeast of Loco Hills, New Mexico.
- 14. <u>CASE 14205</u>: Amended Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Chaves County, New Mexico (Taurus State Com Well No. 3). Applicant seeks an order consolidating the 40-acre spacing units within the S/2 N/2 of Section 10, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Wolfcamp formation (Wildcat) for Applicant's horizontal drilling project area. Applicant