

**DOCKET: EXAMINER HEARING - THURSDAY - December 19, 2013**

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

Docket Nos. 01-14 and 02-14 are tentatively set for January 9, 2014 and January 23, 2014. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13.B 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 15056 - No. 1***  
***Case 15063 - No. 3***  
***Case 15064 - No. 4***  
***Case 15065 - No. 2***  
***Case 15066 - No. 5***  
***Case 15067 - No. 6***  
***Case 15068 - No. 7***  
***Case 15069 - No. 8***  
***Case 15070 - No. 9***  
***Case 15071 - No. 10***

1. **CASE 15056:** *(Continued from the December 5, 2013 Examiner Hearing.)*

***Application of Nadel and Gussman Heyco, LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the N/2 N/2 of Section 9, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Iron Duke Well No. 4H, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the NE/4 NE/4, of Section 9. 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 Atoka, New Mexico.

2. **CASE 15065:** ***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 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 S/2 of Section 17, Township 19 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Excalibur 17 MP Fed. Com. Well No. 1, a horizontal well with a surface location 500 feet from the south line and 20 feet from the west line, and a terminus 500 feet from the south line and 330 feet from the east line, of Section 17. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 14-1/2 miles south-southeast of Maljamar, New Mexico.

3. **CASE 15063:** *(Continued from the December 5, 2013 Examiner Hearing.)*

***Application of COG Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County and (2) pooling all mineral interests in the Bone Springs formation, Red Hills; Lower Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Sebastian Federal Com 3H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) to a standard bottom hole location in the SW/4 SE/4 (Unit O) of Section 18. The completed interval for this well will commence in the NW/4 NE/4 (Unit B) of Section 18 and



remain within the 330-foot standard offset required by the rules. 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 of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

4. **CASE 15064:** (Continued from the December 5, 2013 Examiner Hearing.)

**Application of COG Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the E/2 E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County and (2) pooling all mineral interests in the Bone Spring formation, Red Hills; Lower Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Sebastian Federal Com 4H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 18. The completed interval for this well will commence in the NE/4 NE/4 (Unit A) of Section 18 and remain within the 330-foot standard offset required by the rules. 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 of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

5. **CASE 15066:** **Application of WPX Energy Production, LLC for a non-standard spacing and proration unit and compulsory pooling, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the N/2 N/2 of Section 9, Township 23 North, Range 8 West, NMPM, San Juan County and (2) pooling all mineral interests in the Mancos formation, Nageezi Gallup Oil Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Chaco 2308-09A 145H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 9. The completed interval for this well will commence in the NE/4 NE/4 (Unit A) of Section 9 and remain within the 330-foot standard offset required by the rules. 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southeast of Nageezi, New Mexico.

6. **CASE 15067:** **Application of WPX Energy Production, LLC for a non-standard spacing and proration unit, compulsory pooling and unorthodox well location, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 9, Township 23 North, Range 8 West, NMPM, San Juan County; (2) pooling all mineral interests in the Mancos formation, Nageezi Gallup Oil Pool, underlying this acreage; and (3) authorizing an unorthodox bottom hole location. Said non-standard unit is to be dedicated to applicant's proposed **Chaco 2308-09A 146H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a non-standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 9. The completed interval for this well will commence in the SE/4 NE/4 (Unit H) of Section 9 and will be non-standard in the SW/4 NW/4 (Unit E). 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles southeast of Nageezi, New Mexico.

7. **CASE 15068:** **Application of WPX Energy Production, LLC for a non-standard spacing and proration unit, compulsory pooling and an unorthodox well location, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the N/2 N/2 of Section 15, Township 23 North, Range 8 West, NMPM, San Juan County; (2) pooling all mineral interests in the Mancos formation, Nageezi Gallup Oil Pool, underlying this acreage; and (3) authorizing an unorthodox bottom hole location. Said non-standard unit is to be dedicated to applicant's proposed **Chaco 2308-14E 151H Well**, which will be horizontally drilled from a surface location in the SW/4 NW/4 (Unit E) in Section 14, Township 23 North, Range 8 West to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 15. 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles southeast of Nageezi, New Mexico.

8. **CASE 15069:** **Application of WPX Energy Production, LLC for a non-standard spacing and proration unit, compulsory pooling and unorthodox well location, San Juan County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 15, Township 23 North, Range 8 West, NMPM, San Juan County; (2) pooling all mineral interests in the Mancos formation, Nageezi Gallup Oil Pool, underlying this acreage; and (3) authorizing an unorthodox bottom hole location. Said non-standard unit is to be