

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 1, 2012

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

Docket Nos. 36-12 and 37-12 are tentatively set for November 29, 2012 and December 13, 2012. 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. The following cases will be heard by an Examiner.

<i>Locator Key for Cases</i>
<i>Case 14883 – No. 10</i>
<i>Case 14899 – No. 9</i>
<i>Case 14907 – No. 1</i>
<i>Case 14908 – No. 2</i>
<i>Case 14911 – No. 7</i>
<i>Case 14912 – No. 4</i>
<i>Case 14913 – No. 11</i>
<i>Case 14915 – No. 15</i>
<i>Case 14917 – No. 3</i>
<i>Case 14918 – No. 5</i>
<i>Case 14919 – No. 6</i>
<i>Case 14920 – No. 8</i>
<i>Case 14921 – No. 12</i>
<i>Case 14922 – No. 13</i>
<i>Case 14923 – No. 14</i>
<i>Case 14924 – No. 16</i>
<i>Case 14925 – No. 17</i>

1. **CASE 14907:** *(Continued from the October 4, 2012 Examiner Hearing.)*
Application of KC Resources, Inc. for approval of a pressure maintenance project in Eddy County, New Mexico;
Applicant seeks approval to institute a lease pressure maintenance project through its Jones D No.5 well location 2310 FSL, 330 FWL in Unit L of Section 18, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the San Andres formation at a depth of 1779 to 1934.
2. **CASE 14908:** *(Continued from the October 4, 2012 Examiner Hearing.)*
Application of Tarco Energy, L.C. for approval of a pressure maintenance project in Eddy County, New Mexico;
Applicant seeks approval to institute a lease pressure maintenance project in its Russell C #10 well location 660 FSL, 1980 FEL in Unit O of Section 35, Township 17 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Yates and Seven Rivers formations at a depth 380 feet to 540 feet (perforated).
3. **CASE 14917:** ***Application of Dwight A. Tipton for approval of a pressure maintenance project in Lea County, New Mexico;***
Applicant seeks approval to institute a lease pressure maintenance project in its Sunray A #1 well located 990 FSL, 1980 FEL in Unit O of Section 36, Township 9 South, Range 33 East, N.M.P.M., Lea County, New Mexico. Applicant intends to inject produced water into the lower San Andres formation at depths of 4630-4650 feet (perforated) and 4750-5000 feet (open hole).
4. **CASE 14912:** *(Continued from the October 18, 2012 Examiner Hearing.)*
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 an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 9, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 9, for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Salado Draw 9 AP Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/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 23 miles west of Bennett, New Mexico.

5. **CASE 14918:** *Application of Mewbourne Oil Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy 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 S/2 of Section 10, Township 18 South, Range 31 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Tamano 10 Fed Com 8H well to be horizontally drilled from a surface location 1,737 feet from the South line and 260 feet from the West to a bottom hole location 1,800 feet from the South line and 330 feet from the East line of Section 10. The completed interval for this well will be within the 330-foot standard offset required by the rules. Said area is located approximately 14 miles southeast of Loco Hills, New Mexico.
6. **CASE 14919:** *Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy 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 8, Township 19 South, Range 26 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Bradley 8 Fee 4H well to be horizontally drilled from a surface location 160 feet from the South line and 1040 feet from the East line (Unit P) to a bottom hole location 330 feet from the North line and 1040 feet from the East line (Unit A) of Section 8. The completed interval for this well will be 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 Lakewood, New Mexico.
7. **CASE 14911:** *(Continued from the October 18, 2012 Examiner Hearing.)*
Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy 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 1, Township 19 South, Range 25 East, NMPM, Eddy County, and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Clydesdale 1 Fee No. 1H well (API #30-015-40214), to be horizontally drilled from a surface location 380 feet from the North line and 150 feet from the East (Unit A) to a bottom hole location 380 feet from the North line and 330 feet from the West line (Unit D) of Section 1. The completed interval for this well will be 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 5 miles northwest of Lakewood, New Mexico.
8. **CASE 14920:** *Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Mewbourne Oil Company seeks an order approving an 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 S/2 of Section 34, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in (i) the Bone Spring formation underlying the NE/4 SE/4 of Section 34 to form a standard 40 acre oil spacing and proration unit, and (ii) the Bone Spring formation underlying the N/2 S/2 of Section 34 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Dorado 34 Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 SE/4, and a terminus in the NW/4 SW/4, of Section 34. 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 units are located approximately 8-1/2 miles south of Loco Hills, New Mexico.
9. **CASE 14899:** *(Continued from the October 18, 2012 Examiner Hearing.)*
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 158.34-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 2, SE/4 NW/4, and S/2 NE/4 (the S/2 N/2) of Section 30, Township 18 South, Range 30 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 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Bradley 30 Fed. Com. Well No. 3, a horizontal well with a surface location in Lot 2, and a terminus in the SE/4 NE/4, 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 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 7 miles south of Loco Hills, New