

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 14, 2013

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

Docket Nos. 39-13 and 40-13 are tentatively set for December 5, 2013 and December 19, 2013. 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 15041 – No. 4
Case 15054 – No. 7
Case 15056 – No. 5
Case 15057 – No. 6
Case 15059 – No. 1
Case 15060 – No. 2
Case 15061 – No. 3

1. **CASE 15059: Application of Mesquite SWD, Inc. for approval of a water disposal well, Lea County, New Mexico.** Applicant seeks an order approving disposal of produced water into the Bell Canyon and Cherry Canyon members of the Delaware formation at depths of 4790-7350 feet subsurface in the proposed Blue Quail SWD Well No. 1, to be located 2100 feet from the north line and 1660 feet from the west line of Section 11, Township 25 South, Range 32 East, NMPM. The well is located approximately 25 miles west of Bennett, New Mexico.
2. **CASE 15060: Application of Owl Oil and Gas LLC for approval of a water disposal well, Eddy County, New Mexico.** Applicant seeks an order approving disposal of produced water into the Yates-Seven Rivers formation at depths of 670-785 feet subsurface in the Myrtle Myra SWD Well No. 3, to be re-entered at a location 1978 feet from the south line and 1980 feet from the west line of Section 9, Township 21 South, Range 27 East, NMPM. The well is located approximately 5-1/2 miles north-northeast of Carlsbad, New Mexico.
3. **CASE 15061: Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the S/2 S/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the BAE 14 Fed. Com. Well No. 7H, a horizontal well to be drilled at a surface location in the SE/4 SE/4, with a terminus in the SW/4 SW/4, of Section 14. 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 southeast of Maljamar, New Mexico.
4. **CASE 15041: (Continued from the October 17, 2013 Examiner Hearing.)**
Application of Legend Natural Gas III, LP for special pool rules, Eddy County, New Mexico. Applicant seeks an order establishing special rules and regulations for the North Hay Hollow-Bone Spring Pool, including a special depth bracket allowable of 375 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The pool covers all or parts of Sections 12, 13, and 24-26, Township 25 South, Range 27 East, NMPM,

and Sections 7, 17-20, 29, and 30, Township 25 South, Range 28 East, NMPM. The Pool is centered approximately 8 miles south-southwest of Malaga, New Mexico.

5. **CASE 15056:** *(Continued from the October 31, 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.

6. **CASE 15057:** *(Continued from the October 31, 2013 Examiner Hearing.)*
Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the S/2 S/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the BAE 14 Fed. Com. Well No. 8H, a horizontal well to be drilled at a surface location in the SE/4 SE/4, with a terminus in the SW/4 SW/4, of Section 14. 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 southeast of Maljamar, New Mexico.

7. **CASE 15054:** *(Continued from the October 31, 2013 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 W/2 E/2 of Section 9, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Stonewall 9 Fee 3H Well**, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 9. The completed interval for this well will be within the 330-foot setbacks required by Division 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 13 miles south of Artesia, New Mexico.