

DOCKET: EXAMINER HEARING - THURSDAY – JULY 10, 2014

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

Docket Nos. 22-14 and 23-14 are tentatively set for July 24, 2014 and August 7, 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 14919 – No. 1
Case 15152 – No. 7
Case 15157 – No. 9
Case 15158 – No. 8
Case 15167 – No. 2
Case 15168 – No. 3
Case 15169 – No. 4
Case 15170 – No. 5
Case 15171 – No. 6

1. **CASE 14919 (re-opened):** *(Continued from the June 26, 2014 Examiner Hearing.)*
Application of COG Operating, LLC, To Re-Open Case No. 14919 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Order R-13659, Eddy County, New Mexico.
Applicant in the above-styled cause seeks to amend Division Order R-13659 to include the pooling of additional mineral interests in the Glorieta-Yeso formation underlying the 160-acre oil spacing and proration unit created under Division Order R-14919 consisting of the E/2 E/2 of Section 8, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit is dedicated to applicant's proposed **Bradley 8 Fee Well No. 4H** and is located approximately 1 mile southwest of Frontier Post, New Mexico.
2. **CASE 15167:** ***Application of Chevron U.S.A. Inc. for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order (1) creating a non-standard, 160-acre spacing and proration unit comprised of the W/2 E/2 of Section 14, Township 24 South, Range 34 East, N.M.P.M., Lea 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 **Gramma Ridge 14-24-34-1H 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 14. The completed interval for this well will 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 Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles North of Ochoa, New Mexico.
3. **CASE 15168:** ***Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy 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 (South Culebra Bluff-Bone Spring Pool) comprised of the W/2 W/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 35 to form a non-standard 160 acre

oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the **Layla 35 B2MD Fee Well No. 3H**, a horizontal well with a surface location 135 feet from the south line and 470 feet from the west line, and a terminus 330 feet from the north line and 660 feet from the west line, of Section 35. The producing interval of the well is unorthodox under the special rules and regulations governing the South Culebra Bluff-Bone Spring Pool. 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 2-1/2 miles north-northeast of Malaga, New Mexico.

4. **CASE 15169: 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 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the E/2 W/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the E/2 W/2 of Section 35 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 unit will be dedicated to the **Layla 35 NC Well No. 1H**, a horizontal well with a surface location 150 feet from the south line and 1800 feet from the west line, and a terminus 330 feet from the north line and 1800 feet from the west line, of Section 35. 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 2-1/2 miles north-northeast of Malaga, New Mexico.
5. **CASE 15170: Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, and compulsory pooling, Eddy 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 (South Culebra Bluff-Bone Spring Pool) comprised of the E/2 W/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the **Layla 35 B2NC Fee Well No. 2H**, a horizontal well with a surface location 185 feet from the south line and 1670 feet from the west line, and a terminus 330 feet from the north line and 1980 feet from the west line, of Section 35. The producing interval of the well is unorthodox under the special rules and regulations governing the South Culebra Bluff-Bone Spring Pool. 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 2-1/2 miles north-northeast of Malaga, New Mexico.
6. **CASE 15171: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying the E/2 of Section 35, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, and approving an unorthodox gas well location in the Wolfcamp formation. The unit will be dedicated to the **Layla 35 W2OB Fee Well No. 3H**, a horizontal well with a surface location 185 feet from the south line and 2435 feet from the east line, and a terminus 330 feet from the north line and 2150 feet from the east line, of Section 35. 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 3 miles north-northeast of Malaga, New Mexico.
7. **CASE 15152: (Continued from the June 26, 2014 Examiner Hearing.)**
Application of EOG Resources, Inc. for a non-standard spacing and proration unit and compulsory pooling,