

**DOCKET: EXAMINER HEARING - THURSDAY – AUGUST 21, 2014**

8:15 A.M. - 1220 South St. Francis.

Santa Fe, New Mexico

Docket Nos. 27-14 and 28-14 are tentatively set for September 4, 2014 and September 18, 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 15152 – No. 11******Case 15161 – No. 8******Case 15162 – No. 9******Case 15163 – No. 5******Case 15164 – No. 6******Case 15165 – No. 7******Case 15174 – No. 10******Case 15175 – No. 16******Case 15176 – No. 17******Case 15177 – No. 18******Case 15178 – No. 15******Case 15179 – No. 19******Case 15185 – No. 14******Case 15186 – No. 1******Case 15187 – No. 2******Case 15188 – No. 3******Case 15189 – No. 4******Case 15190 – No. 12******Case 15191 – No. 13***

1. **CASE 15186:** *Application of the New Mexico Oil Conservation Division, through the Enforcement And Compliance Bureau, by and through its attorney, for a Compliance Order against Desert Rose Resort LLC DBA KOA Kampground, finding that the operator is in violation of division rule 19.15.16.11 NMAC as to one well, requiring operator to bring said well into compliance with 19.15.16.11 NMAC by a date certain, and in the event of non-compliance, declaring the well abandoned, authorizing the division to plug the well in San Juan County, New Mexico, forfeiting operator's financial assurance, and seek indemnification from Desert Rose for the remaining cost in accordance with NMSA 1978, Section 70-2-14(E).*
2. **CASE 15187:** *Application of the New Mexico Oil Conservation Division, by and through its attorney for a Compliance Order against Hal J Rasmussen Operating Inc., Directors, and Officers, Harold James Rasmussen, and Gregory J. Rasmussen, jointly and severally, finding that the Operator is in violation of OCD rules 19.15.15.9, 19.15.15.10, 19.15.25.8, 19.15.25.11, 19.15.16.8, and 19.15.28.8 NMAC, requiring Operator to shut in all wells and revoking all authority to transport until compliance with all division rules is achieved by a date certain, and in the event of non-compliance, additional sanctions will be assessed.*
3. **CASE 15188:** *(This case will be continued to the September 4, 2014 Examiner Hearing.) Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit, compulsory pooling and a non-standard location, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) authorizing a non-standard location; (2) creating a non-standard 320-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Riverbend 14 Fed. Com. No. 2H to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary.*

Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles southwest of Carlsbad, New Mexico.

4. **CASE 15189:** *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 N/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 LI Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 SW/4, and a terminus in the NE/4 SE/4, 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.
5. **CASE 15163:** *(Continued from the July 24, 2014 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Brushy Canyon formation, comprised of the E/2 W/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Brushy Canyon formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Goldfinger Fed Com No. 2H Well**, to be horizontally drilled from standard surface and bottom-terminus locations. 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, the allocation of these costs as well as the 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 1.8 miles west of Cotton Place, New Mexico.
6. **CASE 15164:** *(Continued from the July 24, 2014 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Brushy Canyon formation, comprised of the W/2 E/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Brushy Canyon formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Goldfinger Fed Com No. 3H Well**, to be horizontally drilled from standard surface and bottom-terminus locations. 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, the allocation of these costs as well as the 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 1.8 miles west of Cotton Place, New Mexico.
7. **CASE 15165:** *(Continued from the July 24, 2014 Examiner Hearing.)*  
**Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Brushy Canyon formation, comprised of the E/2 E/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Brushy Canyon formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Goldfinger Fed Com No. 4H Well**, to be horizontally drilled from standard surface and bottom-terminus locations. 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, the allocation of these costs as well as the 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 1.8 miles west of Cotton Place, New Mexico.
8. **CASE 15161:** *Amended Application of COG Operating, LLC for a non-standard spacing and proration unit, compulsory pooling, and unorthodox well location, 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/2E/2 of Section 13, Township 19 South, Range 34 East, NMPM, Lea County, (2) pooling all mineral interests in the Bone Springs formation, Scharb; Bone Spring Pool, underlying this acreage, and (3) authorizing an unorthodox well location. Said non-standard unit is to be dedicated to applicant's proposed **Super Cobra State Com 2H Well**, which will be horizontally drilled from a non-