

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 4, 2014

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

Docket Nos. 28-14 and 29-14 are tentatively set for September 18, 2014 and October 2, 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 15161 – No. 6
Case 15162 – No. 7
Case 15172 – No. 11
Case 15174 – No. 1
Case 15175 – No. 8
Case 15176 – No. 9
Case 15177 – No. 10
Case 15185 – No. 5
Case 15188 – No. 4
Case 15190 – No. 2
Case 15191 – No. 12
Case 15192 – No. 3

1. ***CASE 15174:*** (Continued from the August 21, 2014 Examiner Hearing.)
Application of EOG Resources, 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 W/2 of Section 10, Township 25 South, Range 34 East, NMPM, 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 ***Osprey 10 1H Well***, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 10. The completed interval for this well will commence 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles Southwest of Baird Place, New Mexico.
2. ***CASE 15190:*** (Continued from the August 21, 2014 Examiner Hearing.)
Application of Matador Production Company for compulsory pooling, and an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) pooling all mineral interests in the Wolfcamp formation, South Culebra Bluff – Wolfcamp Gas Pool, underlying the S/2 of Section 14, Township 24 South, Range 28 East and (2) authorizing an unorthodox well location. Said standard unit is to be dedicated to applicant's proposed ***Tiger 14-24S-28E RB #224H Well***, which will be horizontally drilled from a non-standard surface location 350 feet from the South line and 250 feet from the East line (Unit P) to a non-standard bottom hole location 350 feet from the South line and 260 feet from the West line (Unit M) of Section 14 in the South Culebra Bluff – Wolfcamp Gas Pool (Pool Code 75750). The completed interval for this well will be unorthodox because it will be closer than 660 feet to the outer boundary as required by Rule 19.15.15.10.B(1). 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 1.5 miles Southwest of Harroun Crossing, New Mexico.
3. ***CASE 15192:*** ***Application of BOPCO, L.P. for the revocation of the injection authority granted under Administrative Orders SWD-1269 and SWD-649-B, Eddy County, New Mexico.*** Applicant seeks an order revoking the injection authority granted under Administrative Orders SWD-1269 and SWD-649-B to Mesquite SWD, Inc. to dispose of produced water into the following wells operated by Mesquite:

- (i) the Heavy Metal 12 Federal Well No. 1 (API 30-015-29602), which is located 1,900 feet from the South line and 1,900 feet from the West line. Unit Letter K of Section 12, Township 24 South, Range 31 East in Eddy County; and
- (ii) the Bran SWD Well No. 1 (API 30-015-25697), which is located 660 feet from the South line and 660 feet from the East line. Unit Letter P of Section 11, Township 24 South, Range 31 East in Eddy County.

Applicant intends to present evidence that Mesquite's produced water injection operations are adversely impacting BOPCO producing wells in the Poker Lake Unit, thereby impairing Applicant's correlative rights and causing waste. Applicant's Poker Lake Unit producing wells are located approximately 26 miles southeast of Carlsbad, New Mexico.

- 4. **CASE 15188:** *(This case will be continued and re-advertised for the September 18, 2014 Examiner Hearing.)*
AMENDED 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 at 75 feet from the North line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East, and 330 feet from the South line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East; (2) creating a non-standard 320-acre, more or less, gas 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 each 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.
- 5. **CASE 15185:** *(Continued from the August 21, 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 Yeso formation, comprised of the W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Yeso 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 **Ivar the Boneless Fed. No. 1H Well**, to be horizontally drilled. The completed interval for this well will be within the 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 mile south of Malijamar, New Mexico.
- 6. **CASE 15161:** *(Continued from the August 21, 2014 Examiner Hearing)*
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-standard surface location 190 feet from the South line and 1880 feet from the East line (Unit O) to a non-standard bottom hole location 330 feet from the North line and 1980 feet from the East line (Unit B) of Section 13. 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 8 miles Southwest of Arkansas Junction, New Mexico.
- 7. **CASE 15162:** *(Continued from the August 21, 2014 Examiner Hearing)*
Amended Application of COG Operating, LLC for a non-standard spacing and proration unit, compulsory pooling, and an 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 E/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 1H Well**, which will be horizontally drilled from a non-standard surface location 190 feet from the South line and 660 feet from the East line (Unit P) to a non-standard bottom hole location 330 feet from the North line and 660 feet from the East line (Unit A) of Section 13. 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 8 miles Southwest of Arkansas Junction, New Mexico.