

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 17, 2015

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

Docket Nos. 28-15 and 29-15 are tentatively set for October 1, 2015 and October 15, 2015. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC 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 15307 - No. 14
Case 15367 - No. 11
Case 15368 - No. 12
Case 15369 - No. 13
Case 15370 - No. 1
Case 15371 - No. 2
Case 15372 - No. 3
Case 15373 - No. 4
Case 15374 - No. 5
Case 15375 - No. 6
Case 15376 - No. 7
Case 15377 - No. 8
Case 15378 - No. 9
Case 15379 - No. 10

1. ***Case No. 15370: Application of Permian TDS, LLC, for approval of a salt water disposal well, Eddy County, New Mexico.*** Applicant seeks an order for a salt water disposal well in its **Canadian Kenwood Fed#1**, located 660' FSL and 1980' FWL, Unit N, Section 17, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The well is located approximately 8 miles south of Maljamar, New Mexico.
2. ***Case No. 15371: Application of Smith and Marrs Inc., for approval of a pressure maintenance project, in Eddy County, New Mexico.*** Applicant seeks approval to institute a lease pressure maintenance project in its **Superior State Well #1**, located 1980' FNL and 660' FEL, Unit H, Section 8, Township 25 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Applicant intends to inject produced water into the Delaware Sand formation at depths of 3736-3776 feet (perforated). The well is located approximately 10 miles south east of Malaga, New Mexico.
3. ***Case No. 15372: Application of Matador Production Company for 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 Wolfcamp formation comprised of the N/2 N/2 of Section 25, Township 24 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp 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 will be dedicated to the **Paul 25-24S-28E RB Well No. 221H**, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the NE/4 NE/4, of Section 25. 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 8-1/2 miles south-southeast of Malaga, New Mexico.
4. ***Case No. 15373: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 29 and the E/2 NE/4 of Section 32, Township 24 South, Range 35 East, N.M.P.M., Lea County County, New Mexico 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 **Viking Helmet State Com 1H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 29 to a standard bottom hole location in the SE/4 NE/4 (Unit H) of Section 32. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2.5 miles northeast of Baird Place, NM.

5. **Case No. 15374: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre, more or less, spacing and proration unit comprised of the W/2 E/2 of Section 29 and the W/2 NE/4 of Section 32, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico 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 **Viking Helmet State Com 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 29 to a standard bottom hole location in the SW/4 NE/4 (Unit G) of Section 32. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2.5 miles northeast of Baird Place, NM.

6. **Case No. 15375: Application Of WPX Energy Production, LLC For Approval Of The Kimbeto Wash Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, San Juan County, New Mexico.** Applicant seeks approval of its Kimbeto Unit consisting of approximately 5,279.20 acres of Federal and Allotted Indian lands situated in all or parts of the Sections 17-21 and 28-32, Township 23 North, Range 9 West, San Juan County, New Mexico. The unitized interval includes the Mancos formation at a depth of 2873 feet down to the stratigraphic equivalent of the top of the Graneros formation at a depth of 4,680 feet as encountered in the **Federal E-1 well** in Section 17, Township 22 North, Range 9 West; N.M.P.M. In addition, Applicant seeks an order creating a new pool within the unitized interval for horizontal well development that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 5.5 miles southwest of Nageezi, New Mexico.

7. **Case No. 15376: 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, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 11, Township 20 South, Range 25 East, NMPM, Eddy County 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 **Bone Yard 11 Fee No. 11H Well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 11. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6.5 miles southwest of Lakewood, NM.

8. **Case No. 15377: 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, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 11, Township 20 South, Range 25 East, NMPM, Eddy County 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 **Bone Yard 11 Fee No. 12H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 2 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 11. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6.5 miles southwest of Lakewood, NM.

9. **Case No. 15378: Application of Judah Oil, L.L.C. for Approval of a Salt Water Disposal Well, Eddy County, New Mexico.** Applicant seeks authority from the Division to drill the **Sand Point State Well No. 2** well at a location 3980 feet from the south line and 1,300 feet from the west line (Unit L) in irregular Section 2, Township 21 South, Range 28 East, N.M.P.M. to a depth of 1,450 feet for the purpose of operating a commercial salt water disposal well. Applicant seeks authority to inject produced water into the Yates Formation at a depth of 1,300 feet to 1,450 feet by an open hole system. This area is located 11 miles east of Carlsbad, New Mexico.

10. **Case No. 15379: Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Dominion Production Operating, LLC,** finding that the operator is in violation of Agreed Compliance Order 285, and the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and OCD rules, NMAC 19.15.2 *et seq.*, requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.