

Examiner Hearing – December 3, 2015

Docket No. 35-15

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two pools underlying this acreage and to allow wells to be located anywhere within the proposed project area so long as the completed interval is no closer than 330 feet from the outer boundary of Section 10. The subject area is located approximately 1 mile south of Highway 550 and four miles east of Nageezi, New Mexico.

10. Case No. 15404: (Continued from the November 12, 2015 Examiner Hearing.)

Application of Burnett Oil Co., Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Burnett Oil Co., Inc. seeks an order approving a 120-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation (Fren Glorieta-Yeso Pool) comprised of the NW/4 NE/4 and N/2 NW/4 of Section 12, Township 17 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the NW/4 NE/4 and N/2 NW/4 of Section 12 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Nosler 12 Fed. DB Well No. 4H**, a horizontal well with a surface location in the NE/4 NE/4 of adjoining Section 11, a first take point at an orthodox location in the NW/4 NW4 of Section 12, and a terminus at an orthodox location in the NW/4 NE4 of Section 12. 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 9-1/2 miles east-northeast of Loco Hills, New Mexico.

11. Case No. 15405: (Continued from the November 12, 2015 Examiner Hearing.)

Application of Burnett Oil Co., Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Burnett Oil Co., Inc. seeks an order approving a 120-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation (Fren Glorieta-Yeso Pool) comprised of the SW/4 NE/4 and S/2 NW/4 of Section 12, Township 17 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Glorieta-Yeso formation underlying the SW/4 NE/4 and S/2 NW/4 of Section 12 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Nosler 12 Fed. EG Well No. 6H**, a horizontal well with a surface location in the SE/4 NE/4 of adjoining Section 11, a first take point at an orthodox location in the SW/4 NW4 of Section 12, and a terminus at an orthodox location in the SW/4 NE4 of Section 12. 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 9-1/2 miles east-northeast of Loco Hills, New Mexico.

12. Case No. 15345: (Continued from the November 12, 2015 Examiner Hearing.)

Application of LG&S Oil Company, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Queen formation at depths of 3280 feet to 3570 feet subsurface in the Keohane B Federal 3 Well, located 1980 feet from the North line and 1980 feet from the West line, Unit F, of Section 28, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The well is located approximately 10 miles south of Maljamar, New Mexico.

13. Case No. 15410: Application of Energen Resources Corporation for Approval of the Amarillo Canyon Unit, Creation of a New Pool for Horizontal Development, and Establishing 330 Foot Exterior Boundary Setbacks for Completed Intervals for Horizontal Wells Within the Unit, San Juan County, New Mexico. Applicant seeks approval of its Amarillo Canyon Unit comprised of 3,838.08 acres of federal, state and Indian allotted lands described by tract as follows:

Township 27 North, Range 13 West N.M.P.M., San Juan County

Sec. 11: NE/4 NE/4

Sec. 2: Lots 1, 2, 3, 4, S/2 NE/4 & SW/4

Sec. 3: Lots 1, 2, 3, 4, S/2 N/2 & S/2

Sec. 10: ALL

Sec. 11: W/2, W2 E/2, E/2 SE/4, NE/4

Sec. 2: W/2 SE/4

Sec. 2: E/2 SE/4

Sec. 1: Lots 1, 2, S/2 NE/4, N/2 SE/4, SW/4 SE/4

Sec. 1: SE/4 SE/4

Sec. 2: S/2 NW/4

Sec. 1: Lots 3, 4, S/2 NW/4, SW/4 (W/2)

Sec. 12: E/2

Sec. 12: SW/4

Sec. 12: NW/4

Applicant also seeks the creation of a new pool for horizontal development within the unit area with vertical limits coterminous with the unitized formation and providing for 330 foot exterior boundary setbacks for completed intervals of horizontal wells drilled within the unit. The unitized interval extends from the stratigraphic equivalent of the top of the Mancos Formation located at a depth of 4,270' to the base of the Greenhorn (i.e. Graneros) Formation at a depth of 5,797 feet as encountered in the Energen Resources Navajo-D No. 1-E Well (API No. 30-045-254040000) located in NW/4 SW/4 of Section 1, Township 27 North, Range 13 West, N.M.P.M. in San Juan County. The subject lands are located approximately 4 miles southeast of NAPI Headquarters, New Mexico.