

Examiner Hearing – December 3, 2015

Docket No. 35-15

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4. ***Case No. 15412: Application of Devon Energy Production Company, L.P. for pool contraction, pool creation, and special pool rules, Eddy County, New Mexico.*** Applicant seeks an order creating a new pool for development of the Bone Spring formation, designated the West Parkway-Bone Spring Pool, to initially include Sections 20-22 and 27-29 of Township 19 South, Range 29 East, NMPM. Applicant further seeks the contraction of the Scanlon Draw-Bone Spring Pool, Turkey Track-Bone Spring Pool, and Parkway-Bone Spring Pool so that they do not include any acreage described above. Finally, applicant seeks special rules and regulations for the pool, including standard 40 acre vertical oil spacing and proration units, standard 320 acre horizontal oil spacing and proration units, special well location requirements for horizontal wells, special depth bracket allowables, and a gas:oil ratio of 10000:1. The proposed pool is centered approximately 13-1/2 miles south-southwest of Loco Hills, New Mexico.

5. ***Case No. 15413: Application of EOG Resources, Inc. 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 160-acre non-standard spacing and proration unit comprised of the S/2 S/2 of Section 32, Township 17 South, Range 30 East, NMPM, Eddy 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 **Qualifier 32 State Com No. 502H 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 SE/4 SE/4 (Unit P) 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 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 Loco Hills, New Mexico.

6. ***Case No. 15414: Application of RKI Exploration and Production 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, 224.75-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed **RDX Federal Com 28 9H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) in Section 28 to a standard bottom hole location in the SW/4 NW/4 (Unit E) of Section 33. 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 RKI Exploration and Production as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 10.5 miles southwest of Ross Place, New Mexico.

7. ***Case No. 15415: 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, 318.64-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 32, Township 20 South, Range 34 East, and Lots 1, 8, 9, and 16, Section 5, Township 21 South, Range 33 East, NMPM, 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 **Goose State Com No. 2H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 32 to a standard bottom hole location in the SW/4 SW/4 (Lot 16) of Section 5. 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 10 miles southeast of Monument, NM.

8. ***Case No. 15401: (Continued from the November 12, 2015 Examiner Hearing.) Application of Apache Corporation For Approval of the Fire Eagle State San Andres Exploratory Unit, Lea County New Mexico.*** Applicant seeks approval of its Fire Eagle State San Andres Exploratory Unit consisting of approximately 3,360 acres of state lands situated in all or parts of Sections 2, 3, 4, 9, 10, and 11 of Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unitized interval is the stratigraphic equivalent of the San Andres formation defined at a depth of 4,243' down to the base of the formation at a measured depth of 5,643' as encountered in the **Gainer 22 #1 well** (API No. 30-025-38792) in Section 22, Township 10 South, Range 36 East, Lea County, New Mexico. The subject acreage is located approximately 4.5 miles Southeast of Crossroads, New Mexico.

9. ***Case No. 15416: Application Of Encana Oil & Gas (USA) Inc. For Approval Of A 640-Acre Non-Standard Project Area Comprised Of Acreage Subject To A Single Federal Lease; For Approval To Downhole Commingle Production From The Two Pools Underlying This Acreage; And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Project Area, San Juan County, New Mexico.*** Applicant seeks approval of a 640-acre non-standard project area in the Mancos formation comprised of acreage subject to a single federal lease covering all of Section 10, Township 23 North, Range 8 West. This acreage is within the Basin Mancos Gas Pool and the Nagecezi Gallup Pool. Applicant also seeks approval to downhole commingle production from these