

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 17, 2015

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

Docket Nos. 01-16 and 02-16 are tentatively set for January 7, 2016 and January 21, 2016. 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 15345 - No. 20
Case 15370 - No. 21
Case 15371 - No. 22
Case 15382 - No. 6
Case 15383 - No. 7
Case 15395 - No. 11
Case 15401 - No. 2
Case 15406 - No. 4
Case 15407 - No. 5
Case 15408 - No. 12
Case 15412 - No. 3
Case 15414 - No. 13
Case 15417 - No. 1
Case 15418 - No. 8
Case 15419 - No. 9
Case 15420 - No. 10
Case 15421 - No. 14
Case 15422 - No. 15
Case 15423 - No. 16
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Case 15425 - No. 18
Case 15426 - No. 19
Case 15427 - No. 23
Case 15428 - No. 24

1. ***Case No. 15417: Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order (i) creating a 240-acre non-standard oil spacing and proration unit (project area) comprised of the W/2 SW/4 of Section 12 and the W/2 W/2 of Section 13, Township 24 South, Range 34 East, N.M.P.M., in Lea County, and (ii) pooling all mineral interests in the Avalon Shale portion of the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Sombrero Federal Com No. 4H well**, which will be horizontally drilled from a surface location in Unit M of Section 13, Township 24 South, Range 34 East to a bottom hole location in Unit L of Section 12, Township 24 South, Range 34 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately two miles northeast of Ochoa, New Mexico.

2. ***Case No. 15401: (This case will be dismissed.)***

Amended 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 2,880 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,

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Township 10 South, Range 36 East, Lea County, New Mexico. The subject acreage is located approximately 4.5 miles Southeast of Crossroads, New Mexico.

3. Case No. 15412: (Continued from the December 3, 2015 Examiner Hearing.)

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.

4. Case No. 15406: (Continued from the November 12, 2015 Examiner Hearing.)

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 Wolfcamp formation comprised of the W/2 W/2 of Section 9, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the W/2 W/2 of Section 9 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Salado Draw 9 WIDM Fed. Com. Well No. 2H**, a horizontal well with a surface location in the NW/4 NW/4, and a terminus in the SW/4 SW/4, of Section 9. 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 23-1/2 miles west of Bennett, New Mexico.

5. Case No. 15407 (re-advertised): Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy 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 S/2 S/2 of Section 31, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 S/2 of Section 31 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Pavo Macho 31 B2MP Fed. Well No. 1H**, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the SE/4 SE/4, of Section 31. 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 11-1/2 miles southwest of Loco Hills, New Mexico.

6. Case No. 15382: (Continued from the October 1, 2015 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy 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 (East Palmillo-Bone Spring Pool) comprised of the N/2 S/2 of Section 5, Township 19 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit (project area) for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Gobbler 5 B2IL State Com. Well No. 1H**, a horizontal well with a surface location in the NE/SE/4, and a terminus in the NW/4 SW/4, of Section 5. 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 12 miles southwest of Loco Hills, New Mexico.

7. Case No. 15383: (Continued from the October 1, 2015 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard gas spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 480-acre non-standard gas spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2 of Section 17 and the NW/4 of Section 20, Township 21 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard unit for all pools developed on 320 acre spacing within that vertical extent. The unit is to be dedicated to the **Rio Bravo 17/20 W2DE Fed. Com. Well No. 1H**, a horizontal well with a surface location 400 feet from the north line and 790 feet from the west line of Section 17, and a terminus 2310 feet from the north line and 660 feet from the west line of Section 20. The terminus is unorthodox. 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 7-1/2 miles south of Seven Rivers, New Mexico.