

Examiner Hearing – September 29, 2016

Docket No. 39-16

Page 5 of 5

southeast of Loco Hills, New Mexico.

20. Case No. 15555: Application of EOG Resources For Approval Of A 640-Acre Non-Standard Project Area Comprised Of Acreage Subject To A Proposed State Communitization Agreement, Lea County, New Mexico. Applicant in the above-styled cause seeks an order approving a 640-acre non-standard project area in the Wolfcamp formation comprised of acreage subject to a proposed state communitization agreement covering all of Section 26, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico. This acreage has been placed in the WC-025 G-09 S253336D; Upper Wolfcamp pool (Pool Code 98094) subject to the Division's general statewide rules for oil development. This acreage is located approximately 25 miles West of Jal, New Mexico.

21. Case No. 15519: (Continued from the September 1, 2016 Examiner Hearing.)
Application of Mewbourne Oil Company to revoke the injection authority granted under SWD-744 for the Willow Lake Well No. 1 operated by Pyote Well Service, LLC, Eddy County, New Mexico. Applicant seeks an order revoking the injection authority granted by Administrative Order SWD-744 for the Willow Lake Well No. 1 (30-015-21499), a salt water disposal well located 660 feet from the North line and 1980 feet from the West line (Unit C) in Section 22, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. This well is currently operated by Pyote Well Service, LLC and disposing produced water into the Bone Spring formation through perforations at depths of approximately 7,184 feet to approximately 8,850 feet. The well is located approximately 5 miles South of Loving, New Mexico.

22. Case No. 15491 (re-opened): (Continued from the September 15, 2016 Examiner Hearing.)
Application of Caza Petroleum, Inc. for Compulsory Pooling and Approval of an Unorthodox Well Location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation underlying the W/2 of Section 13, Township 24 South, Range 27 East, N.M.P.M.; for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to Applicants proposed **Mad River 13 State Well No. 1H** to be drilled at an unorthodox location approximately 330 feet from the south line and 2310 feet from the west line (surface) to 330 feet from the north line and 1980 feet from the west line (terminus) of Section 13. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Caza Petroleum, Inc. as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately four miles west of Malaga, New Mexico.

23. Case No. 15498 (re-opened): (Continued from the September 15, 2016 Examiner Hearing.)
Application of Matador Production Company for compulsory pooling and approval of an unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation underlying the spacing unit comprised of the N/2 of Section 13, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Said unit is to be dedicated to applicant's proposed **Brantley State Com 13-24S-27E RB No. 221H Well**, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 18, Township 24 South, Range 28 East to a non-standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 13, Township 24 South, Range 27 East. The completed interval for this well will commence 330 feet from the North line and 330 feet from the East line (Unit A) to a location 330 feet from the North Line and 330 feet from the West line (Unit D) of Section 13, thereby encroaching on the spacing units to the North, East, Northeast, West, and Northwest. 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 17 miles southeast of Carlsbad, New Mexico.