

DOCKET: EXAMINER HEARING - THURSDAY - MAY 11, 2017

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Docket Nos. 18-17 and 19-17 are tentatively set for May 25, 2017 and June 8, 2017. 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 15185 - No. 11
Case 15655 - No. 23
Case 15656 - No. 24
Case 15659 - No. 25
Case 15660 - No. 26
Case 15668 - No. 27
Case 15669 - No. 28
Case 15671 - No. 13
Case 15673 - No. 12
Case 15679 - No. 8
Case 15681 - No. 3
Case 15682 - No. 19
Case 15683 - No. 20
Case 15685 - No. 21
Case 15686 - No. 22
Case 15687 - No. 1
Case 15688 - No. 2
Case 15689 - No. 4
Case 15690 - No. 5
Case 15691 - No. 6
Case 15692 - No. 7
Case 15693 - No. 9
Case 15694 - No. 10
Case 15695 - No. 14
Case 15696 - No. 15
Case 15697 - No. 16
Case 15698 - No. 17
Case 15699 - No. 18

1. ***Case No. 15687: Application of Cimarex Energy Co. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division: (1) creating a non-standard 640-acre, more or less, oil spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Sections 7 and 18, Township 25 South, Range 27 East, NMPM, Eddy County, New Mexico; and, (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **DaVinci 7-18 Federal Com 6H**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 30 miles south of Carlsbad New Mexico.

2. ***Case No. 15688: Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order from the Division pooling all mineral interests in the Bone Spring formation underlying the 223.47 acre non-standard spacing and proration unit approved by the Division in Administrative Order NSP-2057, which is comprised of the E/2 E/2 of Section 28 and NE/4 NE/4 and Lot 1 of Irregular Section 33, Township 26 South, Range 27 East, NMPM, Eddy County, New Mexico. This spacing and proration unit will be the project area for the **Klein 33 Federal Com. Well No. IOH well**, to be

horizontally drilled The producing area for this well will be 330 feet from the project area boundary Also to be considered will be the cost of drilling and completing said well the allocation of these costs as well as the actual operating costs and charges for supervision designation of Cimarex as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 17 miles southwest of Malaga New Mexico

3 Case No 15681 (Continued from the April 27 2017 Examiner Hearing)

Application of Mewbourne Oil Company for a non standard project area and an unorthodox gas well location Eddy County New Mexico Mewbourne Oil Company seeks an order approving a non standard 1280 acre horizontal well project area in the Wolfcamp formation comprised of all of Sections 17 and 20 Township 21 South Range 25 East NMPM Applicant further requests approval of an unorthodox gas well location (Wildcat Wolfcamp Gas Pool) for the proposed **Rio Bravo 17/20 W2AP Fed Com Well No 1H** with a surface location in the NE/4 NE/4 of Section 17 and a bottomhole location in the SE/4SE/4 of Section 20 The first and last take points will be unorthodox The project area is located approximately 7 1/2 miles south of Seven Rivers New Mexico

4 Case No 15689 **Application of Mewbourne Oil Company for a nonstandard spacing and proration unit and compulsory pooling Eddy County New Mexico** Mewbourne Oil Company seeks an order approving a 480 acre non standard spacing and proration unit in the Wolfcamp formation underlying the SE/4 of Section 23 and the E/2 of Section 24 Township 24 South Range 28 East NMPM and pooling all mineral interests in the Wolfcamp formation underlying the non standard spacing and proration unit The unit will be dedicated to (a) the **Queen 23/24 W0OP Fed Com Well No 1H** a horizontal well with a surface location in the SE/4SW/4 of Section 23 and a terminus in the SE/4SE/4 of Section 24 and (b) the **Queen 23/24 W2OP Fed Com Well No 2H** a horizontal well with a surface location in the SE/4SW/4 of Section 23 and a terminus in the SE/4SE/4 of Section 24 The beginning and end of the producing interval in each well will be orthodox Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision designation of applicant as operator of the wells and a 200% charge for the risk involved in drilling and completing the wells The unit is located approximately 2 1/2 miles southeast of Malaga New Mexico

5 Case No 15690 **Application of OneEnergy Partners 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 160 acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 20 Township 26 South Range 36 East NMPM Lea County New Mexico and (2) pooling all uncommitted interest owners within the non standard spacing and proration unit Said unit will be the project area for its proposed **Wildhog BWX State Com No 1H** which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 20 The completed interval for this well will comply with the 330 foot standard setbacks for oil wells 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 OneEnergy Partners Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 5 miles southwest of Bennett New Mexico

6 Case No 15691 **Application of OneEnergy Partners 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 160 acre spacing and proration unit in the Wolfcamp Formation comprised of the E/2 W/2 of Section 19 Township 26 South Range 36 East NMPM Lea County New Mexico and (2) pooling all uncommitted interest owners within the non standard spacing and proration unit Said unit will be the project area for its proposed **Prizehog BWZ State Com No 1H** which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottom hole location in SE/4 SW/4 (Unit N) of Section 19 The completed interval for this well will comply with the 330 foot standard setbacks for oil wells 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 OneEnergy Partners Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 6 miles southwest of Bennett New Mexico

7 Case No 15692 **Application of Chevron U S A Inc for a non standard spacing and proration unit compulsory pooling and approval of an unorthodox location Lea County New Mexico** Applicant in the above styled cause seeks an order (1) creating a non standard 320 acre spacing and proration unit comprised of the E/2 E/2 of Section 13 and the E/2 E/2 of Section 24 Township 26 South Range 32 East N M P M Eddy County New Mexico (2) pooling all mineral interests in the Bone Spring formation underlying this acreage and (3) approving an unorthodox location Said non standard unit is to be dedicated to applicant s proposed **SD WE 24 Fed P24 No 6H Well** which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) of Section 24 to a non standard bottom hole location in NE/4 NE/4 (Unit A) of Section 13 The completed interval for this well will commence 330 feet from the South line 1 265 feet from the East line of Section 24 to a location 330 feet from the North line 1 265 feet from the East line of Section 13 thereby encroaching on the spacing and proration units to the West Northwest and Southwest 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 Chevron U S A Inc as operator of the well and a 200% charge for risk involved in drilling said well Said area is located approximately 35 miles west of Jal New Mexico