

THIRD AMENDED DOCKET: EXAMINER HEARING - THURSDAY – AUGUST 31, 2017

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

Docket Nos. 32-17 and 33-17 are tentatively set for September 14, 2017 and September 28, 2017. Applications for hearing must be filed at least thirty (30) days in advance of the 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. 38**Case 15348 - No. 29**Case 15723 - No. 45**Case 15751 - No. 37**Case 15755 - No. 44**Case 15757 - No. 14**Case 15758 - No. 27**Case 15759 - No. 28**Case 15775- No. 6**Case 15776 - No. 7**Case 15777 - No. 8**Case 15778 - No. 9**Case 15779 - No. 10**Case 15780 - No. 11**Case 15781 - No. 12**Case 15782 - No. 41**Case 15783 - No. 42**Case 15784 - No. 43**Case 15785 - No. 20**Case 15786 - No. 21**Case 15787 - No. 22**Case 15788 - No. 36**Case 15791 - No. 1**Case 15792 - No. 30**Case 15793- No. 31**Case 15794- No. 24**Case 15795 - No. 25**Case 15796 - No. 26**Case 15797- No. 13**Case 15799 - No. 32**Case 15801 - No. 35**Case 15803 - No. 2**Case 15804- No. 3**Case 15805 - No. 4**Case 15806 - No. 5**Case 15807- No. 15**Case 15808 - No. 16**Case 15809 - No. 17**Case 15810 - No. 18**Case 15811- No. 19**Case 15812 - No. 33**Case 15813 - No. 34**Case 15814 - No. 39**Case 15815 - No. 40**Case 15817 - No. 32*

I.. **Case No. 15791:** (Continued from the August 17, 2017, Examiner Hearing.)

Application of Rockcliff Operating New Mexico LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving disposal of produced water into the Atoka formation at depths of 11750-11879 feet subsurface in the existing South Culebra Bluff Unit Well No. 1, located 1980 feet from the north line and 1650 feet from the east line of Section 23, Township 23 South, Range 28 East, NMPM. The well is located approximately 3 miles east-northeast of Loving, New Mexico.

2. ***Case No. 15803: Application of The New Mexico Oil Conservation Division Compliance and Enforcement Bureau for a Compliance Order against Spence Energy Co., for Wells Operated in Lea County, New Mexico.*** The New Mexico Oil Conservation Division Compliance and Enforcement Bureau, ("Bureau") through its undersigned attorney, hereby files this application with the Oil Conservation Division ("OCD or Division") pursuant to the provisions of NMSA 1978, §70-2-12 for a compliance order (1) determining operator Spence Energy Co. ("Operator") is out of compliance with 19.15.8 NMAC and NMSA 1978, § 70-2-14; (2) requiring Operator to return to compliance with 19.15.8 NMAC; and (3) in the event of non-compliance, finding the Operator in violation of a Division order for each day after the deadline established in the sought order to obtain acceptable financial assurance.

3. ***Case No. 15804: Application of Manzano, LLC for a Non-Standard Spacing and Proration Unit, a Non-Standard Project Area, and Compulsory Pooling, Lea County, New Mexico.*** Applicant in the above styled cause seeks an order (1) creating a non-standard, 240-acre, more or less, spacing and proration unit comprised of E/2SE/4 Section 19 and the E/2E/2 Section 30, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico; (2) approving a non-standard project area; and (3) pooling all mineral interests in the San Andres Formation underlying said acreage. Said non-standard unit is to be dedicated to Applicant's Rag Mama 30-19 Fee No. 1H Well, to be vertically drilled from the surface location in SE/4SE/4 (Unit P) of Section 30 to the San Andres Formation to the bottom hole location of in NE/4SE/4 (Unit I) of Section 19. 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 the well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of Manzano, LLC as operator of the well, and a 200% penalty for risk involved in the drilling the well.

4. ***Case No. 15805: Application of XTO Energy 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 non-standard, 239.62-acre spacing and proration unit comprised of the comprised of the W/2 E/2 of Section 6, Township 25 South, Range 29 East, and the W/2 SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Bone Spring formation, Willow Lake; Bone Spring, Southeast (Pool Code 96217), underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Cattle Baron State No. 2H Well, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 25 South, Range 29 East, to a standard bottom hole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. 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 XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Malaga, New Mexico.

5. ***Case No. 15806: Application of XTO Energy 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) authorizing a non-standard spacing unit in the Purple Sage Wolfcamp Gas Pool (98220); (2) creating a 479.09-acre non-standard spacing and proration unit comprised of the E/2 of Section 6, Township 25 South, Range 29 East, and the SE/4 of Section 31, Township 24 South, Range 29 East, NMPM, Eddy County, New Mexico; (3) pooling all uncommitted interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Sizzler State No. 2H Well, which will be horizontally drilled from a surface location in the SW/4 SE/4 of Section 6 (Unit O), Township 25 South, Range 29 East, to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 31, Township 24 South, Range 29 East. The completed interval for this well will remain within the 330-foot standard offset required by the Special Rules for the Purple Sage Pool. 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 XTO Energy Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of Malaga, New Mexico.

6. ***Case No. 15775: (Continued from the August 3, 2017 Examiner Hearing.)***

Application of OXY USA WTP Limited Partnership 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 323.00-acre spacing and proration unit comprised of the N/2 N/2 of Section 3 and the N/2 N/2 of Section 4, Township 19 South, Range 29 East, NMPM, Eddy County, New Mexico and (2) pooling all uncommitted interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Turkey Track 4-3 State Com No. 21H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 4 to a standard bottom hole location in NE/4 NE/4 (Lot 1) of Section