

DOCKET: EXAMINER HEARING - THURSDAY – MAY 27, 2010

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 20-10 and 21-10 are tentatively set for June 10, 2010 and June 24, 2010. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13 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 at the applicant's request. The following cases will be heard by an Examiner.

Locator Key for Cases*Case 14438 – No. 5**Case 14459 – No. 8**Case 14473 – No. 1**Case 14474 – No. 2**Case 14475 – No. 3**Case 14476 – No. 4**Case 14477 – No. 6**Case 14478 – No. 7*

1. **CASE 14473:** *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.* Applicant seeks approval of the Herradura Unit for all formations from the surface to the base of the Precambrian formation in an area comprising 7,681.37 acres of Federal, State of New Mexico, and Fee lands comprised of all or portions of Sections 35 and 36 of Township 23 South, Range 25 East, and Sections 1 through 4, 9 through 11, and 15 through 18 of Township 24 South, Range 25 East, NMPM, which is located approximately 15 miles South and West of Carlsbad, New Mexico.
2. **CASE 14474:** *Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order (1) creating a non-standard spacing unit comprised of the N/2 N/2 of Section 36, Township 19 South, Range 29 East, NMPM, and (2) pooling all mineral interests in the Bone Spring formation, Parkway-Bone Spring Pool, in this non-standard spacing and proration unit which spacing unit will be the project area for the Three Palms "36" State Com Well No. 3-H to be horizontally drilled from a surface location 660 feet from the North line and 330 feet from the East line (Unit A) and then in a westerly direction in the Bone Spring formation to a bottom hole terminus at a location 660 feet from the North line and 330 feet from the West line (Unit D) of said Section 36. 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 Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles Northeast of Carlsbad, New Mexico.
3. **CASE 14475:** *Application of Cano Petro of New Mexico, Inc. for expansion of Cato Unit waterflood project, Chaves County, New Mexico.* Cano Petro of New Mexico, Inc., seeks an order approving the expansion of its waterflood project for secondary recovery in the Cato Unit. The affected lands are located in the SW/4, S/2 SW/4, and NW/4 SE/4 of Section 2, the S/2 S/4 and NE/4 SE/4 of Section 3, Section 10, Section 11, the W/2 of Section 12, the NW/4, N/2 SW/4, SW/4 SW/4, and W/2 SE/4 SW/4 of Section 13, Section 14, and Section 15, Township 8 South, Range 30 East, NMPM, Chaves County, New Mexico. The proposed maximum daily rate of injection in the San Andres Formation is 2,000 STBD per well and the proposed maximum injection pressure ranges between 1,250 psi and 1,325 psi on a per well basis. The shallowest perforation for a well that will be utilized for injection is 3,250 feet. The Cato Unit is located 2.65 miles Southwest of Elida, New Mexico and 5.3 miles Northeast of Roswell, New Mexico.