

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 19, 2012

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

Docket Nos. 4-12 and 5-12 are tentatively set for February 2, 2012 and February 16, 2012. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B 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 14729 - No. 7
Case 14743 - No. 6
Case 14745 - No. 17
Case 14746 - No. 4
Case 14751 - No. 10
Case 14767 - No. 20
Case 14768 - No. 21
Case 14769 - No. 22
Case 14770 - No. 23
Case 14771 - No. 24
Case 14772 - No. 25
Case 14776 - No. 18
Case 14777 - No. 19
Case 14781 - No. 26
Case 14782 - No. 1
Case 14783 - No. 2
Case 14786 - No. 3
Case 14787 - No. 5
Case 14788 - No. 8
Case 14789 - No. 9
Case 14790 - No. 11
Case 14791 - No. 12
Case 14792 - No. 13
Case 14793 - No. 14
Case 14794 - No. 15
Case 14795 - No. 16

1. **CASE 14782:** *(Continued from the January 5, 2012 Examiner Hearing.)*
Application of Endurance Resources, LLC for approval of a salt water disposal well, Eddy County, New Mexico.
Applicant seeks an order proposing to convert to water disposal its Hinkle B Federal No. 19 well, located 990 FNL and 330 FWL, Unit D, Section 34, Township 18 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. The disposal zones shall be in the Queen/Grayburg formation at a depth of 3410 feet to 3902 feet below the surface of the earth perforated. The Hinkle B Federal No. 19 is located approximately 16 miles southeast of Loco Hills, New Mexico.
2. **CASE 14783:** *(Continued from the January 5, 2012 Examiner Hearing.)*
Application of Endurance Resources, LLC for approval of a salt water disposal well, Eddy County, New Mexico.
Applicant seeks an order proposing to convert to water disposal its Base Ball Park No.1 well, located 1980 FSL and 660 FEL, Unit I, Section 24, Township 22 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. The disposal interval shall be in the Delaware Formation at a depth of 4952 feet to 4690 feet below the surface of the earth perforated. The Base Ball Park No. 1 is located approximately 2.5 miles northeast of the Carlsbad, New Mexico, Airport.
3. **CASE 14786:** ***Application of Mewbourne Oil Company for approval of 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 W/2 E/2 of Section 21, Township 26 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the

Skeen 21 State Com. Well No. 2, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 21. 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 4 miles northwest of the intersection of U.S. Highway 285 with the New Mexico-Texas State Line.

4. **CASE 14746:** (Continued from the January 5, 2012 Examiner Hearing.)

Application of Strata Production Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Strata Production Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NW/4 of Section 24, Township 23 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NE/4 of Section 24 to form a non-standard 320 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Sandy Fed. Well No. 2, a horizontal well with a surface location in the SW/4 NW/4 of Section 24, and a terminus in the NW/4 SE/4 of Section 14. 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 units are located approximately 15 miles east of Loving, New Mexico.

5. **CASE 14787:** **Application of Nearburg Exploration Company, L.L.C. for a nonstandard oil spacing and proration unit, unorthodox oil well locations, and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the W/2 NW/4 of Section 8, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, approving unorthodox oil well locations in the Strawn and Devonian formations, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Midwest 8 State Well No. 1 at an unorthodox location 925 feet from the north line and 1644 feet from the west line of Section 8, to a depth sufficient to test the Strawn formation, and will dedicate the NE/4 NW/4 of Section 8 to the well in the Strawn formation. In the event the well does not result in commercial Strawn production, applicant plans to directionally drill the well to an unorthodox bottom hole location approximately 1139 feet from the north line and 1195 feet from the west line of Section 8 to test the Devonian formation (Midway-Devonian Pool). Applicant requests that a non-standard spacing and proration unit comprised of the W/2 NW/4 of Section 8 be dedicated to the well, to be re-named the Midway 8 State Com. Well No. 1, and pooling all mineral interest owners in the Devonian formation underlying the W/2 NW/4 of Section 8. 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 Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5-1/2 miles northwest of Humble City, New Mexico.

6. **CASE 14743:** (Continued from the January 5, 2012 Examiner Hearing.)

Application of Endeavor Energy Resources, L.P. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 15, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Red Bull "15" Fed. Com. Well No. 1, a horizontal well to be drilled with a surface location in the SE/4 SE/4, and a terminus in the NE/4 NE/4, of Section 15. 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 Endeavor Energy Resources, L.P. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20 miles west of Bennett, New Mexico.

7. **CASE 14729:** (Continued from the January 5, 2012 Examiner Hearing.)

Application of Nadel and Gussman Heyco, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the N/2 N/2 of Section 20, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Glorieta-Yeso formation in the NE/4 NE/4 of Section 20, and (ii) the Glorieta-Yeso formation underlying the non-standard spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Wabash 20 Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the NW/4 NW/4, of Section 20. 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