

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.

6. **CASE 14787: Readvertised** (Continued from the April 12, 2012 Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for a non-standard 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, NMPM, 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 Midway 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 bottomhole 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.

7. **CASE 14832: Application of SM Energy Company for designation of a non-standard oil spacing and proration unit and for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order consolidating the 40-acre spacing units within the N/2 S/2 of Section 34, Township 19 South, Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the N/2 S/2 of Section 34 to be dedicated to its Osage "34" Federal No. 3H Well to be drilled horizontally from a surface location 1880' from the South line and 330' from the West line (Unit L) to a bottomhole location 1980' from the South line and 330' from the East line (Unit I) to a depth sufficient to test the Bone Spring formation, Parkway Bone Spring pool (49622). 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 SM Energy Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 8 miles west of Gatuna Canyon, New Mexico.

8. **CASE 14814:** (Continued from the April 26, 2012 Examiner Hearing.)

Application of SM Energy Company for designation of a non-standard oil spacing and proration unit and for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the N/2 S/2 of Section 35, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the N/2 S/2 of Section 35 to be dedicated to its Parkway "35" Federal No. 3H Well to be drilled horizontally from a surface location 2080' from the South line and 330' from the West line (Unit L) to a bottom hole location 1980' from the South line and 330' from the East line (Unit I) to a depth sufficient to test the Bone Spring formation, Parkway Bone Spring pool (49622). 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 SM Energy Company as operator

and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 7 miles west of Gatuna Canyon, New Mexico.

9. **CASE 14833: Application of COG Operating LLC 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 160-acre spacing and proration unit comprised of the E/2 W/2 of Section 9, Township 19 South, Range 26 East, NMPM, and (2) pooling all mineral interests in the Yeso formation, Atoka-Glorieta-Yeso Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Stonewall 9 Fee No. 2H well, to be horizontally drilled from a surface location 150 feet from the North line and 1700 feet from the West line (Unit C) to a bottom hole location 330 feet from the South line and 1700 feet from the West line (Unit N) of Section 9. The completed interval for this well will be 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 13 miles South of Artesia, New Mexico.
10. **CASE 14834: Application of Cobalt Operating, LLC for authorization to inject produced water, Lea County, New Mexico.** Applicant in the above-styled cause seeks authorization to inject produced water into the Strawn formation, SWD; Strawn Pool (Pool Code 96188), through the Consolidated State Well No. 3 (API 30-025-29711) located 660 feet from the North line and 2128 feet from the West line of Section 9, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico. This well is located approximately 8 miles southeast of Lovington, New Mexico.
11. **CASE 14835: Application of Coulthurst Management & Investment, LLC, for Authorization to Inject as Part of a Pressure Maintenance Project, Sandoval County, New Mexico.** Applicant in the above-styled cause seeks authorization to inject produced water in the Menefee formation, South San Luis-Mesaverde Pool, through the Erin No. 2 well (API 30-043-20862), located 990 feet from the North line and 2310 from the West line (Unit C) of Section 33, Township 18 North, Range 3 West, N.M.P.M., Sandoval County, New Mexico. The proposed project area is approximately 520 acres in size, consisting of the W/2, N/2 NE/4, N/2 SE/4, SE/4 SE/4 of said Section. The Erin No. 2 well and proposed project area are located approximately 6 miles southeast of Torreon, New Mexico.
12. **CASE 14582: (Re-opened)**
The Division will hear arguments on the Motion to Re-open filed by Nearburg Exploration Company, LLC in Case No. 14582, the application of Cimarex Energy Co. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. In the original case, Cimarex Energy Co. sought an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 23, Township 20 South, Range 34 East, NMPM. Applicant further sought the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 23 to form a non-standard 160-acre oil spacing and proration unit (project area) for any pools or formations developed on 40-acre spacing within that vertical extent. The unit was dedicated to the Lynch 23 Fed. Well No. 2, a horizontal well to be drilled at a surface location in the NE/4 NE/4, with a terminus in the SE/4 SE/4, of Section 23. The motion to re-open seeks to determine whether Cimarex can propose an additional well under the terms of Order No. R-13357, the order previously issued in this case. The unit is located approximately 16 miles West-Southwest of Monument, New Mexico.
13. **CASE 14826: (Continued from the April 26, 2012 Examiner Hearing.)**
Application of Nearburg Exploration Company, LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the W/2 W/2 of Section 23, Township 20 South, Range 34 East, NMPM, and (2) pooling all mineral interests in all producing reservoirs within the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Laguna 23 Fed Com Well No. 2H, to be horizontally drilled from a surface location 330 feet from the South line and 660 feet from the West line (Unit M) to a bottom hole location 330 feet from the North line and 660 feet from the West line