

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 9, 2012

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

Docket Nos. 25-12 and 26-12 are tentatively set for August 23, 2012 and September 6, 2012. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13.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. The following cases will be heard by an Examiner.

Locator Key for Cases***Case 14554 – No. 7******Case 14860 – No. 5******Case 14863 – No. 1******Case 14879 – No. 4******Case 14881 – No. 2******Case 14882 – No. 3******Case 14883 – No. 6***

1. **CASE 14863:** *(Continued from the July 26, 2012 Examiner Hearing.)*
Application of LRE Operating, LLC, for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order proposing to utilize its Eddy-Humble “4” State No. 1, located 2310 feet from the South line and 1650 feet from the East line, Unit J, Section 4, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico as a produced water disposal well. Applicant proposes to inject produced water into the Abo, Wolfcamp and Cisco formations. The well is located approximately 7 miles southwest of Loco Hills, New Mexico.
2. **CASE 14881:** ***Application of EOG Resources, 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 160-acre, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 1, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant’s proposed Sand Tank “1” Fed Com #3H Well which was horizontally drilled from a surface location 560 feet from the South line and 240 feet from the East line (Unit P) to a bottom hole location 660 feet from the South line and 330 feet from the West line (Unit M) of Section 1. The completed interval for this well will be at a standard location as 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles Southwest of Loco Hills, New Mexico.
3. **CASE 14882:** ***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, more or less, spacing and proration unit comprised of the S/2 S/2 of Section 31, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant’s proposed Big Girl 31 State 1H Well to be horizontally drilled from a surface location 615 feet from the South line and 10 feet from the West line (Lot 4) to a bottom hole location 330 feet from the South line and 330 feet from the East line (Unit P) of Section 31. The completed interval for this well will be at a standard location as 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 12 miles Southeast of Artesia, New Mexico.
4. **CASE 14879:** *(Continued from the July 12, 2012 Examiner Hearing.)*
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 W/2 E/2 of Section 8, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant’s proposed Bradley 8 Fee 3H well (API #30-015-39812), to be horizontally drilled from a surface location 150 feet from the South line and 2260 feet from the East line (Unit O) to a bottom hole location 330 feet from the

North line and 2260 feet from the East line (Unit B) of Section 8. 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 4 miles south of Dayton, New Mexico.

5. **CASE 14860:** *(Continued from the July 12, 2012 Examiner Hearing.)*
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 S/2 N/2 of Section 1, Township 19 South, Range 25 East, NMPM, Eddy County and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Clydesdale 1 Fee No. 4H well, to be horizontally drilled from a surface location 2260 feet from the North line and 150 feet from the West line (Unit H) to a bottom hole location 2260 feet from the North line and 330 feet from the West line (Unit E) of Section 1. 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 17 miles North of Carlsbad, New Mexico.

6. **CASE 14883:** **Application of Nadel and Gussman Permian, 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 E/2 W/2 of Section 24, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests in 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 unit is to be dedicated to the Super Chief Well No. 1, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 24. 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 4-1/2 miles southeast of Atoka, New Mexico.

7. **CASE 14554:** *(Re-opened)*
Application of Mewbourne Company to re-open Case No. 14554 to make the special rules and regulations for the North Seven Rivers Glorieta-Yeso Pool permanent, Eddy County, New Mexico. Division Order No. R-13350 (i) abolished the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool, and (ii) expanded the North Seven Rivers Glorieta-Yeso Pool to include the acreage in the abolished pools and additional acreage, so that it comprised the following lands:

Township 19 South, Range 24 East, NMPM
 Section 36: SE/4

Township 19 South, Range 25 East, NMPM
 Section 15: SW/4
 Section 16: NE/4
 Section 22: All
 Section 23: S/2
 Section 24: W/2
 Section 26: W/2
 Section 27: All
 Section 31: SW/4
 Section 34: All
 Section 35: All
 Section 36: NW/4

Township 20 South, Range 25 East, NMPM
 Section 2: W/2
 Section 3: All
 Section 4: S/2
 Section 5: S/2
 Section 7: NE/4
 Section 9: All
 Section 10: All
 Section 11: SE/4