DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 6, 2012

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

Santa Fe, New Mexico

Docket Nos. 29-12 and 30-12 are tentatively set for September 20, 2012 and October 4, 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.

- 1. <u>CASE 14889</u>: Application of Roca Production, Inc. for a non-standard spacing and proration unit and compulsory pooling, Lea 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 W/2 E/2 of Section 22, Township 20 South, Range 33 East, NMPM, Lea 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 Outlaw 22 Federal Com #1H Well to be horizontally drilled from a surface location 660 feet from the North line and 1,980 feet from the East line to a bottom hole location 660 feet from the South line and 1,980 feet from the East line of Section 22. 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 Roca Production, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles northeast of Loving, New Mexico.
- 2. <<u>CASE 14890</u>: Application of COG Operating LLC for a standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a standard 40-acre spacing and proration unit comprised of the SE/4 SW/4 of Section 3, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and pooling all mineral interests from the surface to the base of Glorieta-Yeso formation underlying this acreage. Said standard unit is to be dedicated to applicant's proposed Buckskin 3 Federal No. 6 Well to be vertically drilled from a surface location 330 feet from the South line and 2,310 feet from the West line (Unit N) of Section 3. 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 7 miles Southeast of Dayton, New Mexico.

3. <u>CASE 14891</u>: Application of Nadel and Gussman Heyco, LLC 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 S/2 N/2 of Section 20, 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 Cannonball Well No. 1, a horizontal well with a surface location in the SE/4NE/4, and a terminus in the SW/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 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 2-1/2 miles south-southwest of Atoka, New Mexico.