

DOCKET: EXAMINER HEARING - THURSDAY - MAY 24, 2012

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

Docket Nos. 17-12 and 18-12 are tentatively set for June 7, 2012 and June 21, 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.

<i>Locator Key for Cases</i>
<i>Case 13940 - No. 33</i>
<i>Case 14582 - No. 32</i>
<i>Case 14698 - No. 25</i>
<i>Case 14703 - No. 22</i>
<i>Case 14704 - No. 23</i>
<i>Case 14705 - No. 24</i>
<i>Case 14809 - No. 8</i>
<i>Case 14817 - No. 7</i>
<i>Case 14819 - No. 26</i>
<i>Case 14820 - No. 27</i>
<i>Case 14821 - No. 28</i>
<i>Case 14822 - No. 29</i>
<i>Case 14823 - No. 30</i>
<i>Case 14824 - No. 31</i>
<i>Case 14826 - No. 10</i>
<i>Case 14827 - No. 5</i>
<i>Case 14836 - No. 1</i>
<i>Case 14837 - No. 2</i>
<i>Case 14838 - No. 3</i>
<i>Case 14839 - No. 4</i>
<i>Case 14840 - No. 6</i>
<i>Case 14841 - No. 9</i>
<i>Case 14842 - No. 11</i>
<i>Case 14843 - No. 12</i>
<i>Case 14844 - No. 13</i>
<i>Case 14845 - No. 14</i>
<i>Case 14846 - No. 15</i>
<i>Case 14847 - No. 16</i>
<i>Case 14848 - No. 17</i>
<i>Case 14849 - No. 18</i>
<i>Case 14850 - No. 19</i>
<i>Case 14851 - No. 20</i>
<i>Case 14852 - No. 21</i>

- I. ***CASE 14836: Application of Nearburg Producing Company for Designation of a Non-standard Spacing Unit, a Non-standard Project Area an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico.*** Applicant seeks an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's non-standard horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 165' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso formation. The Completed Interval of the well will be located within the Producing Area of the proposed Project Area. 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 Nearburg Producing Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately one mile northwest of Seven Rivers, New Mexico.

2. **CASE 14837:** *(This case will be dismissed.)*
Application of Cimarex Energy Company of Colorado for a Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interest from the surface of the earth to an approximate depth of 3,000 feet sufficient to test the Yeso formation, including the Penasco Draw San Andres-Yeso Associated Pool (code 50270) with its proposed California "29" Fee Well No. 1 to be dedicated to a 40-acre oil spacing unit consisting of the NW/4SW/4 (Unit L) of Section 29, Township 18 South, Range 26 East, NMPM. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Company as the operator of the well a risk charge of 200% for the risk charge involved in this well. This unit is located approximately 4 miles south of Atoka, New Mexico.
3. **CASE 14838:** *(This case will be dismissed.)*
Application of Cimarex Energy Company of Colorado for a Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interest from the surface of the earth to an approximate depth of 3,000 feet sufficient to test the Yeso formation, including the Penasco Draw San Andres-Yeso Associated Pool (code 50270) with its proposed California "29" Fee Well No. 4 to be dedicated to a 40-acre oil spacing unit consisting of the SW/4SW/4 (Unit M) of Section 29, Township 18 South, Range 26 East, NMPM. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Company as the operator of the well a risk charge of 200% for the risk charge involved in this well. This unit is located approximately 4 miles south of Atoka, New Mexico.
4. **CASE 14839:** **Application of ConocoPhillips Company for Downhole Commingling, Rio Arriba County, New Mexico.** Applicant seeks an order authorizing the downhole commingling of production from the Basin Dakota, Blanco Mesaverde and Basin Mancos Gas Pools underlying the W/2 of Section 26, T29N, R5W, NMPM, Rio Arriba County, New Mexico, being a standard 320-acre gas spacing and proration unit for the Mesaverde, Mancos and Dakota formation spaced on 320-acre spacing. This unit is being dedicated to its San Juan 29-5 Unit well No. 77M located in Unit E. This matter is being set for hearing because of an objection filed by Madalyn Joy Johnson, a royalty owner. This unit is located approximately 3-1/2 miles east of the Gobernador Camp, New Mexico.
5. **CASE 14827:** *(Continued from the April 26, 2012 Examiner Hearing.)*
Application of Three Rivers Operating 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 N/2 S/2 of Section 6, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation, Scharb-Bone Spring Pool, underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Airstrip 6 State Well No. 2H well, to be horizontally drilled from a surface location 2171 feet from the South line and 665 feet from the West line (Unit L) to a bottom hole location 1980 feet from the South line and 510 feet from the East line (Unit I) of Section 6. 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 Three Rivers Operating Company, LLC as operator of the well and unit and a 200% charge for risk involved in drilling said well. Said area is approximately 8 miles south of Buckeye, New Mexico.
6. **CASE 14840:** **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 S/2 S/2 of Section 3, Township 20 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 S/2 of Section 3 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 Sharps 3 Fed. Com. Well No. 2, a horizontal well with a surface location in the SE/4 SE/4, and a terminus in the SW/4 SW/4, of Section 3. 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 18 miles east-southeast of Lakewood, New Mexico.