

DOCKET: EXAMINER HEARING - THURSDAY – OCTOBER 18, 2012

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

Docket Nos. 34-12 and 35-12 are tentatively set for November 1, 2012 and November 15, 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 14883 – No. 14******Case 14886 – No. 13******Case 14888 – No. 15******Case 14889 – No. 1******Case 14891 – No. 8******Case 14899 – No. 3******Case 14900 – No. 5******Case 14901 – No. 10******Case 14909 – No. 9******Case 14910 – No. 7******Case 14911 – No. 2******Case 14912 – No. 4******Case 14913 – No. 6******Case 14914 – No. 11******Case 14915 – No. 12******Case 14916 – No. 16******1. CASE 14889: (Continued from the October 4, 2012 Examiner Hearing.)***

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. CASE 14911: 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 N/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. 1H well (API #30-015-40214), to be horizontally drilled from a surface location 380 feet from the North line and 150 feet from the East (Unit A) to a bottom hole location 380 feet from the North line and 330 feet from the West line (Unit D) of Section 1. 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 5 miles northwest of Lakewood, New Mexico.

3. CASE 14899: (Continued from the September 20, 2012 Examiner Hearing.)

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 158.34-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 2, SE/4 NW/4, and S/2 NE/4 (the

S/2 N/2) of Section 30, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Bradley 30 Fed. Com. Well No. 3, a horizontal well with a surface location in Lot 2, and a terminus in the SE/4 NE/4, of Section 30. 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 7 miles south of Loco Hills, New Mexico.

4. **CASE 14912:** *Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Mewbourne Oil Company seeks an order approving an 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 9, 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 9, for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Salado Draw 9 AP Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 9. 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 23 miles west of Bennett, New Mexico.

5. **CASE 14900:** *(Continued from the September 20, 2012 Examiner Hearing.)*
Application of Cimarex Energy Co. of Colorado for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the following described acreage in Section 1, Township 19 South, Range 25 East, NMPM:

(a) The NE/4 SW/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 1, to be drilled at an orthodox location.

(b) The NW/4 SE/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 2, to be drilled at an orthodox location.

(c) The SE/4 SW/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 5, to be drilled at an orthodox location.

(d) The SW/4 SE/4 of Section 1 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Louisiana 1 Fee Well No. 6, to be drilled at an orthodox location.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 6 miles south-southwest of Atoka, New Mexico.

6. **CASE 14913:** *Application of Cimarex Energy Co. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.* Cimarex Energy Co. seeks an order pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 23, Township 25 South, Range 26 East, NMPM, to form a standard 320 acre gas well spacing and proration unit (project area). The unit is to be dedicated to the Pintail 23 Fed. Com. Well No. 9, a horizontal well to be drilled at an unorthodox surface location 250 feet from the south line and 650 feet from the west line, with a terminus at an unorthodox location 330 feet from the north line and 350 feet from the west line, of Section 23. 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 6 miles south-southwest of Black River Village, New Mexico.

7. **CASE 14910:** *(Continued from the October 4, 2012 Examiner Hearing.)*
Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a 160-acre non-standard oil spacing