Examiner Hearing -February 7, 2013 Docket No. 4-13 Page 3 of 3

acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the S/2 N/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the BAE 14 Fed. Com. Well No. 3H, a horizontal well to be drilled at a surface location in the SE/4 NE/4, with a terminus in the SW/4 NW/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 unit is located approximately 2 miles southeast of Maljamar, New Mexico.

- 9. <u>CASE 14954</u>: 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 and proration unit (project area) in the Yeso formation comprised of the S/2 N/2 of Section 14, Township 17 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Yeso formation underlying the non-standard oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the BAE 14 Fed. Com. Well No. 4H, a horizontal well to be drilled at a surface location in the SE/4 NE/4, with a terminus in the SW/4 NW/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 unit is located approximately 2 miles southeast of Maljamar, New Mexico.
- Applications of Los Lobos Renewable Power, LLC [Forms G-112] for approval to inject into a geothermal aquifer through two proposed geothermal injection wells at the site of the proposed Lightning Dock Geothermal Power Project, Hidalgo County, New Mexico. Los Lobos Renewable Power, LLC, whose address is 5152 North Edgewood Drive, Suite 375, Provo, Utah 84604 (Applicant), filed administrative applications (Forms G-112) pursuant to 19.14.93.8 NMAC to place two proposed geothermal injection wells (Wells Nos. 53-7 and 55-7) on injection for well testing and potential future re-injection of geothermal waters, at the Lightning Dock Geothermal Power Facility. These applications have been protested by Damon E. Seawright on behalf of AmeriCulture, Inc. (Protestant). This hearing is being conducted pursuant to the Geothermal Resources Conservation Act, NMSA 1978 Sections 71-5-1 through 71-5-24, as amended, and Rules set forth in 19.14 NMAC, especially 19.14.93.8 NMAC, concerning permitting of geothermal injection and disposal wells. The hearing will be conducted by a Division-appointed hearing officer. The issues to be addressed concern whether the proposed injection will contaminate any underground source of drinking water or otherwise cause

NMAC.

The Lightning Dock geothermal power project is generally located in the NW/4, SW/4 of Section 7, Township 25 South, Range 19 West, NMPM, Hidalgo County, New Mexico. The project area is located within the Animas River Valley approximately 10 miles south of I-10 on CR 338 (east side of Geothermal Road). Production and injection wells are generally located within Sections 7 and 18. The division will accept comments and statements of interest regarding the applications. Persons interested in requesting further information, and submitting comments may contact Glenn von Gonten, Team Leader of the Oil Conservation Division, at 1220 S. St. Francis Drive, Santa Fe, NM 87505, (505) 476-3488. The applications may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. The applications are also posted on the division's web site. Any person who wishes to present technical evidence at the hearing must, at least four business days before the hearing, but in no event after 5:00 p.m. Mountain Time on the Thursday before the scheduled hearing, file with the OCD and serve on each opposing party, a Pre-Hearing Statement containing the information set forth in 19.15.4.13.B NMAC. The filing may be mailed to the division at the above address, or faxed to the division at (505) 476-3462, attention Florene Davidson. A person who does not file a Pre-Hearing Statement may present a general non-technical statement in support of or in opposition to the applications. Portions of the hearing may be closed to the public for presentation of confidential evidence pursuant to NMSA 1978 Section 71-2-8.

waters of the State of New Mexico to exceed applicable water quality standards, and whether such injection will cause waste of geothermal resources or impair correlative rights of geothermal users, as defined in 19.14.1.7.C