

DOCKET: EXAMINER HEARING - THURSDAY - MAY 30, 2013

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

Santa Fe, New Mexico

Docket Nos. 19-13 and 20-13 are tentatively set for June 13, 2013 and June 27, 2013. 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. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases***Case 8352 - No. 10******Case 14977 - No. 11******Case 14985 - No. 3******Case 14986 - No. 4******Case 14988 - No. 1******Case 14989 - No. 2******Case 14990 - No. 5******Case 14991 - No. 6******Case 14992 - No. 7******Case 14993 - No. 8******Case 14994 - No. 9***

1. **CASE 14988:** *Application of Amtex Energy, Inc. for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Merchants State Unit comprised of 1280.12 acres of State of New Mexico lands in Section 35 in Township 21 South, Range 33 East, NMPM, Lea County, and Section 2 in Township 22 South, Range 33 East, NMPM, Lea County. The unitized area includes from the top of the Bone Spring formation to the top of the Strawn formation. This area is located approximately 21 miles west of Eunice, New Mexico.
2. **CASE 14989:** *Application of Apache Corporation for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW/4 NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, 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, including the House-Blinbry Pool, House-Tubb Pool, and House-Drinkard Pool. The unit will be dedicated to the Pinot Well No. 2, to be drilled at an orthodox oil well location in the SW/4 NW/4 of Section 2. 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 southwest of Nadine, New Mexico.
3. **CASE 14985:** *(Continued from the May 16, 2013 Examiner Hearing.)*
Application of Apache Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying Lot 3 (the NE/4 NW/4) of Section 2, Township 20 South, Range 38 East, NMPM, to form a standard 39.77-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the House-Blinbry Pool, House-Tubb Pool, House-Drinkard Pool, and House-Abo Pool. The unit will be dedicated to the Pinot Well No. 1, to be drilled at an orthodox oil well location in Lot 3 of Section 2. 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 southwest of Nadine, New Mexico.

4. **CASE 14986:** (Continued from the May 16, 2013 Examiner Hearing.) ***Application of Apache Corporation for an unorthodox oil well location and compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying Lot 4 (the NW/4 NW/4) of Section 2, Township 20 South, Range 38 East, NMPM, to form a standard 39.73-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the House-Blinbry Pool, House-Tubb Pool, and House-Drinkard Pool. The unit will be dedicated to the White Owl Well No. 2, to be drilled at an unorthodox oil well location 475 feet from the north line and 1075 feet from the west line of Section 2. 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 southwest of Nadine, New Mexico.
5. **CASE 14990:** ***Application of Mewbourne Company for 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 N/2 of Section 13, Township 26 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 N/2 of Section 13 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 is to be dedicated to the Delaware Ranch 13 EH Fee Com. Well No. 1, a horizontal well with a surface location in the SW/4NW/4, and a terminus in the SE/4 NE/4, of Section 13. 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 3 miles north-northwest of the intersection of U.S. Highway 285 with the Texas state line.
6. **CASE 14991:** ***Application of Mewbourne Company to abolish the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, Eddy County, New Mexico.*** The South Culebra Bluff-Bone Spring Pool was created by Division Order R-6139, and currently includes the following acreage:

Township 22 South, Range 28 East, N.M.P.M.

Section 34:	S/2
Section 35:	W/2

Township 23 South, Range 28 East, N.M.P.M.

Section 2:	All
Section 11:	All
Sections 13-16:	All
Section 21:	NE/4
Section 22:	NE/4
Sections 23-27:	All
Section 28:	E/2

Township 23 South, Range 29 East, N.M.P.M.

Section 7:	SW/4
Section 18:	NW/4

Division Order R-6139 also established Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, providing for 80 acre spacing, wells to be located within 150 feet of the center of a quarter-quarter section or lot, and a depth bracket allowable of 222 barrels of oil per day. Applicant requests that the Special Rules and