

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 17, 2013

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

Docket Nos. 37-13 and 38-13 are tentatively set for October 31, 2013 and November 14, 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 15039 – No. 5

Case 15041 – No. 3

Case 15052 – No. 1

Case 15053 – No. 2

Case 15054 – No. 4

1. **CASE 15052:** *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 E/2 W/2 of Section 11, Township 18 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the base of the Second Bone Spring Carbonate to the base of the Bone Spring formation underlying the E/2 W/2 of Section 11 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 Tamano 11 NC Fed. Com. Well No. 1H, a horizontal well with a surface location in the SE/4 SW/4, and a terminus in the NE/4 NW/4, of Section 11. 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 9 miles east-southeast of Loco Hills, New Mexico.
2. **CASE 15053:** *Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy 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 S/2 S/2 of Section 17, 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 17 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 Glock 17 MP Fed. Well No. 1H, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the SE/4 SE/4, of Section 17. 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 17 miles east-southeast of Lakewood, New Mexico.
3. **CASE 15041:** *(Continued from the September 19, 2013 Examiner Hearing.)*
Application of Legend Natural Gas III, LP for special pool rules, Eddy County, New Mexico. Applicant seeks an order establishing special rules and regulations for the North Hay Hollow-Bone Spring Pool, including a special depth bracket allowable of 375 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The pool covers all or parts of Sections 12, 13, and 24-26, Township 25 South, Range 27 East, NMPM,

and Sections 7, 17-20, 29, and 30, Township 25 South, Range 28 East, NMPM. The Pool is centered approximately 8 miles south-southwest of Malaga, New Mexico.

4. **CASE 15054: 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 W/2 E/2 of Section 9, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico, and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Stonewall 9 Fee 3H Well**, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 9. The completed interval for this well will be within the 330-foot setbacks required by Division 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 13 miles south of Artesia, New Mexico.
5. **CASE 15039: (Readvertised) (Continued from the September 19, 2013 Examiner Hearing.)**
Amended Application of Matador Production Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order (1) pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 12, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico; and (2) approving an unorthodox well location in the S/2 of Section 12. Said unit is to be dedicated to applicant's proposed **Rustler Breaks 12-24-27 #1H well**, which will be horizontally drilled from an unorthodox surface location 330 feet from the East line and 380 feet from the South line (Unit P) to an unorthodox bottom hole location 330 feet from the West line and 380 feet from the South line (Unit M) of said Section 12. The entire completed interval for this well will be outside the 660-foot standard offset required by the Division's 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles East of Black River Village, New Mexico.