Examiner Hearing – July 24, 2014 Docket No. 23-14 Page 3 of 6

be the cost of drilling and completing said well, the allocation of these costs as well as the 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 1.8 miles west of Cotton Place, New Mexico

- 5. <u>CASE 14861</u> (re-opened): Application Of COG Operating, LLC, To Re-Open Case No. 14861 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Order R-13629-A, Eddy County, New Mexico. Applicant seeks to amend Division Order R-13629-A to include the pooling of additional mineral interests in the Yeso formation underlying the 160-acre oil spacing and proration unit created under Division Order R-13629-A consisting of the E/2 E/2 of Section 9, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Said unit is dedicated to applicant's proposed Stonewall 9 Fee Well No. 4H and is located approximately 1 mile southeast of Frontier Post, New Mexico.
- 6. CASE 15173: Application Of WPX Energy Production, LLC For Approval Of The South Chaco Federal Exploratory Unit; And For An Exception To The Well Location Requirements Set Forth In The Special Rules For The Basin Mancos Gas Pool, Sandoval County, New Mexico. Applicant seeks approval of its South Chaco Federal Exploratory Unit consisting of 1,282 acres, more or less, of allotted Indian lands situated in all or parts of Sections 1 and 2 of Township 22 North, Range 7 West and the South half of Section 35, Township 23 North, Range 7 West, N.M.P.M., Sandoval County, New Mexico. The unitized interval includes all formations from the top of the Mancos Shale (base of Mesa Verde Group) at a measured depth of 4,571 feet to the base of the Greenhorn Limestone formation (top of the Graneros Shale) at a measured depth of 6,456 feet as shown in the Quinella #1 well (API No. 30043200770000). In addition, Applicant seeks an exception to Rule C(1) of the Special Rules for the Basin Mancos Gas Pool to allow WPX to locate wells anywhere within the Unit so long as the completed interval is no closer than 330 feet to the outer boundary of the Unit Area. The subject acreage is located approximately 3 miles Southeast of Lybrook, New Mexico.
- 7. <u>CASE 15174</u>: Application of EOG Resources, Inc. 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 W/2 W/2 of Section 10, Township 25 South, Range 34 East, NMPM, Lea County 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 Osprey 10 1H Well, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 10. The completed interval for this well will commence and remain 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles Southwest of Baird Place, New Mexico.
- 8. <u>CASE 15168</u>: (Continued from the July 10, 2014 Examiner Hearing.)

 Application of Mewbourne Oil Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, 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 (South Culebra Bluff-Bone Spring Pool) comprised of the W/2 W/2 of Section 35, Township 23 South, Range 28 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 35 to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 or 80 acre spacing within that vertical extent. The unit will be dedicated to the **Layla 35 B2MD Fee Well No. 3H**, a horizontal well with a surface location 135 feet from the south line and 470 feet from the west line, and a terminus 330 feet from the north line and 660 feet from the west line, of Section 35. The producing interval of the well is unorthodox under the special rules and regulations governing the South Culebra Bluff-Bone Spring Pool. 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 2-1/2 miles north-northeast