

AMENDED DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 7, 2014

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

Docket Nos. 26-14 and 27-14 are tentatively set for August 21, 2014 and September 4, 2014. 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 15035 - No. 10
Case 15044 - No. 11
Case 15168 - No. 3
Case 15172 - No. 1
Case 15178 - No. 5
Case 15180 - No. 2
Case 15181 - No. 4
Case 15182 - No. 6
Case 15183 - No. 7
Case 15184 - No. 8
Case 15185 - No. 9

1. ***CASE 15172: (Continued from the July 24, 2014 Examiner Hearing.)***
In the matter of the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department upon it's own motion for an order creating a new Mancos oil pool for horizontal well development solely within the WPX Project Area as defined in Case No. 15102, Order No. R-13817, in Sandoval and Rio Arriba Counties, New Mexico, (hereby the "Northeast Chaco Horizontal Well Oil Pool") and giving notice to all persons and parties interested in the subject matter thereof to show cause why such a "Northeast Chaco Horizontal Well Oil Pool" should not be made.

(a) CREATE a new pool solely within the WPX Project Area as defined in Case No. 15102, Order No. R-13817, in Sandoval and Rio Arriba Counties, New Mexico classified as an oil pool for horizontal well development designated as the "Northeast Chaco Horizontal Well Oil Pool." The horizontal limits of said pool would comprise:

TOWNSHIP 23 NORTH, RANGE 6 WEST, N.M.P.M.

Section 5: Lots 1-4, S/2N/2, S/2

Section 6: Lots 1-7, S/2NE/4, SE/4NW/4, E/2SW/4, SE/4

Section 7: Lots 1-4, E/2W/2, E/2

Section 8: All

Section 16: S/2, NW/4

Section 17: Lots 1-7, NE/4NE4, S/2

Section 18: Lots 1-4, E/2W/2, E/2

Section 19: All

TOWNSHIP 23 NORTH, RANGE 7 WEST, N.M.P.M.

Section 1: Lots 5-20

Section 11: Lots 1-2, S/2NW/4, NE/4, S/2

Section 12: Lots 1-3, NW/4SW/4, SE/4, N/2

Section 13: All

Section 14: All

Section 15: E/2, SW/4

Section 24: All

The vertical limits of this pool consists of the Mancos formation, defined as from the top of the Mancos Formation (base of Mesaverde Group) at a depth of 4,542 feet down to the stratigraphic equivalent of the top of the Greenhorn Formation at a depth of 6,289 feet as encountered in the Rincon No. 20 well in Section 11, Township 23 North, Range 7 West, NMPM (API No. 30-039-26768). All other information can be found in OCD Case No. 15102, OCD Order No. R-13817, and OCD Application for Nomenclature Hearing, OCD Case No. 15172.

2. **CASE 15180: Application of Parker Energy Support Services, Inc. for Authorization to Inject, Lea County, New Mexico.** Applicant seeks an order authorizing the injection of water for disposal into the San Andres formation, San Andres SWD Pool (96121) in Lea County, New Mexico in the following well:

Harry Leonard NCT J No. 5 Well

API No. 30-025-38789

1,200' FNL & 990' FEL (Unit A)

Section 24

T-21-S, R-36-E, NMPM

Lea County, New Mexico

Applicant proposes to convert the well and utilize it for injection of water at depths of 4,100' to 4,320', and 4,329 to 4,675' subsurface. The well is located approximately 3 miles northwest of Eunice, New Mexico.

3. **CASE 15168: (Continued from the July 24, 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 of Malaga, New Mexico.