

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 18, 2014

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

Docket Nos. 29-14 and 30-14 are tentatively set for October 2, 2014 and October 16, 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 14613 – No. 7
Case 15179 – No. 14
Case 15188 – No. 6
Case 15192 – No. 15
Case 15194 – No. 1
Case 15195 – No. 2
Case 15196 – No. 3
Case 15197 – No. 4
Case 15198 – No. 5
Case 15199 – No. 8
Case 15200 – No. 9
Case 15201 – No. 10
Case 15202 – No. 11
Case 15203 – No. 12
Case 15204 – No. 13

1. ***CASE 15194: 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 N/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 N/2 of Section 17 for all pools or formations developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the **Glock 17 B2EH Fed. Well No. 1H**, a horizontal well with a surface location in the SW/4 NW/4, and a terminus in the SE/4 NE/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.
2. ***CASE 15195: Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.*** Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 1, Township 23 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the **Tomb Raider 1 Fed. Com. Well No. 1H**, a horizontal well to be drilled at a surface location 200 feet from the north line and 2005 feet from the east line, with a terminus 330 feet from the south line and 1980 feet from the east line, of Section 1. 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 21-1/2 miles east-northeast of Malaga, New Mexico.
3. ***CASE 15196: Application of Devon Energy Production Company, L.P. for a nomenclature order expanding the North Paduca-Delaware Pool, Lea County, New Mexico.*** Applicant seeks an order expanding the North Paduca-Delaware Pool. The North Paduca-Delaware Pool currently includes parts of Sections 33 and 34, Township 24 South, Range 32 East, NMPM, and Section 4, Township 25 South, Range 32 East, NMPM, and applicant requests that it be expanded so that it includes all or parts of Sections 33 and 34, Township 24 South, Range 32 East, NMPM, and Sections 4, 5, and 6, Township

25 South, Range 32 East, NMPM. The North Paduca-Delaware Pool, as expanded, is centered approximately 29 miles west of Jal, New Mexico.

4. **CASE 15197: Application of Devon Energy Production Company, L.P. to rescind certain special pool rules promulgated by Order No. R-3437, Lea County, New Mexico.** Applicant seeks an order rescinding special rules and regulations 2(a), 3-5, and 7-22 applying to the North Paduca-Delaware Pool, set forth in Order No. R-3437. The North Paduca-Delaware Pool currently includes parts of Sections 33 and 34, Township 24 South, Range 32 East, NMPM, and Section 4, Township 25 South, Range 32 East, NMPM. The North Paduca-Delaware Pool is centered approximately 28 miles west of Jal, New Mexico.
5. **CASE 15198: Application of Devon Energy Production Company, L.P. for a special project allowable, Lea County, New Mexico.** Applicant seeks an order approving a special depth bracket allowable in the Bone Spring formation of 690 barrels of oil per day for a standard 40 acre oil spacing and proration unit in Section 32, Township 24 South, Range 32 East, NMPM, in order to determine the potential benefits of increased well density in the Bone Spring formation. The project area is located approximately 29 miles west of Jal, New Mexico.
6. **CASE 15188: (Amended and Readvertised)**
Application of Cimarex Energy Company of Colorado for a non-standard spacing and proration unit, compulsory pooling and a non-standard location, Eddy County, New Mexico. Applicant seeks an order from the Division: (1) authorizing a non-standard location at 75 feet from the North line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East, and 330 feet from the South line, 1980 feet from the West line, Section 14, Township 25 South, Range 28 East; (2) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the W/2 of Section 14, Township 25 South, Range 28 East, NMPM, Eddy County, New Mexico; and (3) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the **Riverbend 14 Fed. Com. No. 2H** to be horizontally drilled. Cimarex plans to drill the Riverbend 14 Fed. Com. No. 2H from a surface location 75 feet from the North line and 1980 feet from the West line to a bottom hole location 330 feet from the South line and 1980 feet from the West line to a depth sufficient to test the Wolfcamp formation, with a producing interval 330 feet from the North and South project boundary lines. Also to be considered will 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 Cimarex as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 22 miles southwest of Carlsbad, New Mexico.
7. **CASE 14613: (Reopened)**
Application of Apache Corporation and COG Operating, LLC to amend Order No. R-13382-E establishing Temporary Special Pool Rules for the Artesia Glorieta-Yeso, Bear Grass Draw Glorieta-Yeso, Cedar Lake Glorieta-Yeso, Empire Glorieta-Yeso, East Empire Glorieta-Yeso, Fren Glorieta-Yeso, East Fren Glorieta-Yeso, Grayburg Jackson Yeso, North Leamex Paddock, Loco Hills Glorieta-Yeso, and West Maljamar Yeso, Lea and Eddy Counties, New Mexico, to increase the depth bracket allowable to 600 barrels of oil per day, and to make the amended rules permanent. The pools are located approximately 12 miles east of Artesia, New Mexico and 17 miles west of Lovington, New Mexico.
8. **CASE 15199: Application of Chevron U.S.A. 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 E/2 W/2 of Section 14, Township 24 South, Range 34 East, N.M.P.M., 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 **Gramma Ridge 14-24-34-5H Well**, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a non-standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 14. However, the completed interval for this well will 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 Chevron U.S.A. Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 2 miles North of Ochoa, New Mexico.
9. **CASE 15200: Application of Chevron U.S.A. 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 E/2 E/2 of Section 14, Township 24 South, Range 34 East, N.M.P.M., 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 **Gramma Ridge 14-24-34-8H Well**, which will be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) to a non-standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 14. However, the completed interval for this well will 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