Examiner Hearing – January 22, 2015 Docket No. 02-15 Page 2 of 3

- 4. CASE 15230: (Continued from the December 18, 2014 Examiner Hearing.)
 - Application of WPX Energy Production, LLC For Approval Of The West Lybrook Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, San Juan County New Mexico. Applicant seeks approval of its West Lybrook Unit consisting of approximately 8,017 acres of Federal and Allotted Indian lands situated in all or parts of Sections 6 8 of Township 23 North, Range 8 West and, Sections 11 15, 21 23, 27 28 and 33 of Township 23 North, Range 9 West, N.M.P.M., San Juan County, New Mexico. The unitized interval is the stratigraphic equivalent of the interval defined by the top of the Mancos formation at a measured depth of 3,815' down to the base of the Greenhorn Limestone formation at a measured depth of 5,593' as encountered in the Davis Oil Company Chaco #6 well in Section 12, Township 23 North, Range 9 West, N.M.P.M. (API No. 30-045-05082) In addition, Applicant seeks an order creating a new pool within the unitized interval that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 1 mile South of Nageezi, New Mexico.
- 5. CASE 15251: (Amended) Application Of WPX Energy Production, LLC For Approval Of The North Escavada Unit; Creation Of A New Pool For Horizontal Development Within The Unit Area, And For Allowance Of 330 Foot Setbacks From The Exterior Of The Proposed Unit, Sandoval County, New Mexico. Applicant seeks approval of its North Escavada Unit consisting of approximately 4,480 acres of Federal and Allotted Indian lands situated in all or parts of the S/2 of Section 3, the S/2 of Section 4, the SE/4 of Section 5, the NE/4 of Section 8, all of Sections 9, 10, 11, and 12, the N/2 of Section 13, the N/2 of Section 14, and the N/2 of Section 15, Township 22 North, Range 7 West, Sandoval County, New Mexico. The unitized interval includes the Mancos formation at a depth of 3,715' down to the stratigraphic equivalent of the top of the Graneros formation at a depth of 5,575' as encountered in the Sandoval 22-7 No. 1-23 well in Section 23, Township 22 North, Range 7 West, N.M.P.M. (API No. 30-043-05150). In addition, Applicant seeks an order creating a new pool within the unitized interval for horizontal well development that will allow for wells to be located anywhere within the proposed Unit Area so long as the completed interval is no closer than 330 feet from the outer boundary of the proposed Unit. The subject acreage is located approximately 4.5 miles South of Lybrook, New Mexico.
- 6. <u>CASE 15261</u>: Application of WPX Energy Production, LLC for compulsory pooling and approval of an unorthodox well location, San Juan County, New Mexico. Applicant in the above-styled cause seeks an order (1) pooling all mineral interests in the Mancos formation underlying the N/2 of Section 33, Township 24 North, Range 8 West, NMPM, San Juan County; and (2) authorizing an unorthodox well location for the initial well in this standard 320-acre spacing unit. The N/2 of Section 33 is to be initially dedicated to applicant's proposed Chaco 2408-33D 113H well, which will be horizontally drilled from a surface location 1304 feet from the North Line and 372 feet from the West line (Unit D) of Section 33. The completed interval for this horizontal well will commence 380 feet from the West line and 1598 feet from the North line (Unit E) to a location 330 feet from the East line and 2400 feet from the North line (Unit H) of Section 33. As a result this completed interval will be at an unorthodox location under the Special Rules governing the Basin Mancos Gas Pool (Pool Code 97232). 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 WPX Energy Production, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles East of Nageezi, New Mexico.
- 7. <u>CASE 15252</u>: (Continued from the January 8, 2015 Examiner Hearing.)
 (Amended) Application of Chevron U.S.A. Inc. for approval of a 949.56 acre non-standard project area comprised of acreage subject to a communitization agreement; Lea, New Mexico. Applicant seeks an order approving a 949.56 acre non-standard project area comprised of acreage subject to a communitization agreement covering all of Sections 29 and 32, Township 26 South, Range 33 East, NMPM, Lea County, New Mexico (Bone Spring Pool (97955)). The subject acreage is located approximately 50 miles South of Jal, New Mexico.
- 8. CASE 15256: (Continued from the January 8, 2015 Examiner Hearing.)

 Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (1) creating a non-standard, 200-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 11, Township 17 South, Range 32 East and the NW/4 NW/4 of Section 14, Township 17 South, Range 32 East, NMPM, Lea County 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 Pan Head Fee No. 12H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 11 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 14. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located 1 mile East of Maljamar New Mexico.