DOCKET: EXAMINER HEARING - THURSDAY - MARCH 5, 2015

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

Santa Fe, New Mexico

Docket Nos. 07-15 and 08-15 are tentatively set for March 19, 2015 and April 2, 2015. 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.

<u>CASE 15266</u>: Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against Jam Oil, LLC, directors, and officers, jointly and severally, finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.

2. <u>CASE 15267</u>: Application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against C O Fulton, directors, and officers, jointly and severally, finding that the operator is in violation of the oil and gas act, NMSA 1978, Sections 70-2-1 et seq. and OCD rules, NMAC 19.15.2 et seq., requiring operator to return to compliance with division rules by a date certain, and in the event of non-compliance, request for additional sanctions.

3. <u>CASE 15264</u>: (Continued from the February 19, 2015 Examiner Hearing.)

1.

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order approving a 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 22, Township 22 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the S/2 N/2 of Section 22 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 Grandi 22 Well No. 2H, a horizontal well with a surface location 1360 feet from the north line and 255 feet from the west line, and a terminus 2265 feet from the north line and 330 feet from the west line, of Section 22. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 2 miles north-northwest of Otis, New Mexico.

<u>CASE 15268</u>: Application of Anschutz Oil Company, LLC for a non-standard oil spacing and proration unit and compulsory pooling, Rio Arriba County, New Mexico. Anschutz Oil Company, LLC seeks an order approving a 640-acre non-standard oil spacing and proration unit (project area) in the Mancos formation comprised of the W/2 of Section 14 and E/2 of Section 15, Township 25 North, Range 2 West, N.M.P.M. Applicant further seeks the pooling of all mineral interests in the Mancos formation underlying the non-standard spacing and proration unit (project area) for any formations and/or pools developed on 640 acre spacing within that vertical extent, including the Gavilan-Mancos Pool. Applicant has drilled its **Regina Com. 25-2-14-15 Well No. 1H** to a depth sufficient to test the Gavilan-Mancos Pool. It is a horizontal well drilled from a surface location in the NW/4 NE/4 of Section 14, with a terminus in the NW/4 NE/4 of Section 15. The