Examiner Hearing – March 19, 2015 Docket No. 08-15 Page 2 of 5

5. <u>CASE 15272</u>: Application of Devon Energy Production Company, L.P. for special pool rules, Eddy County, New Mexico. Applicant seeks an order instituting special rules and regulations for the Livingston Ridge-Bone Spring Pool, including a special depth bracket allowable of 1280 barrels of oil per day for a standard 40 acre oil spacing and proration unit. The Livingston Ridge-Bone Spring Pool currently includes the SW/4 of Section 36, Township 22 South, Range 31 East, NMPM. Applicant further requests that the special rules and regulations be made effective retroactive to the date of first production from the Ark 36 State Well No. 1H (API No. 30-015-42082), located in the W/2 W/2 of Section 36, Township 22 South, Range 31 East, NMPM. The Livingston Ridge-Bone Spring Pool is centered approximately 17-1/2 miles northeast of Harroun, New Mexico.

CASE 15273: 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 N/2 S/2 of Section 10, Township 19 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 Hadar 10 Fed. Com. Well No. 3H, a horizontal well with a surface location 2155 feet from the south line and 5 feet from the west line, and a terminus 1980 feet from the south line and 340 feet from the cast line, of Section 10. The producing interval will be orthodox. 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 14 miles southeast of Loco Hills, New Mexico.

CASE 15255: (Continued from the March 5, 2015 Examiner Hearing.)

6.

7.

8.

9,

Application of Legacy Reserves Operating LP to institute a tertiary recovery project for the Drickey Queen Sand Unit, and to qualify the project for the recovered oil tax rate, Chaves County, New Mexico. Applicant seeks approval to institute a tertiary recovery project for the Drickey Queen Sand Unit by the injection of water and carbon dioxide into the Queen formation into 31 water injection wells and 20 WAG (water-alternating-gas) injection wells located on 7002.52 acres⁵ of federal, state, and fee lands covering all or parts of 33-35, Township 13 South, Range 31 East, N.M.P.M., and Sections 1-4, 9-11, 14-16, and 22, Township 14 South, Range 31 East, N.M.P.M. Applicant further seeks to qualify the tertiary recovery project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The unit area is centered approximately 19-1/2 miles south-southwest of Caprock, New Mexico.

CASE 15274: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order pooling all mineral interests in the Wolfcamp formation underlying Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3, Township 24 South, Range 28 East, NMPM, to form a standard 319.21 acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing within that vertical extent. The unit will be dedicated to the **Yardbirds 3 W2DM Fee Well No. 1H**, a horizontal well with a surface location 175 feet from the north line and 1070 feet from the west line, and a terminus 330 feet from the south line and 530 feet from the west line, of Section 3. The beginning and end of the producing interval will be unorthodox. 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 1-1/2 miles north-northwest of Malaga, New Mexico.

CASE 15275: Application of WPX Energy Production, LLC for compulsory pooling and approval of an unorthodox well location, San Juan County, New Mexico. Applicant seeks an order (1) pooling all mineral interests in the Mancos formation underlying the S/2 of Section 33, Township 24 North, Range 8 West, NMPM, San Juan County; and (2) approving an unorthodox well location for the proposed Chaco 2408-33M 121H Well, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) to a non-standard bottom hole location in the SE/4 SE/4 (Unit P) of Section 33. The completed interval will commence 428 feet from the West line, 1087 feet from the South line (Unit M) to a location 230 feet from the East line, 380 feet from the South line (Unit P). 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.

10. <u>CASE 15251</u>: (Continued from the January 22, 2015 Examiner Hearing.)

(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