

AMENDED DOCKET: EXAMINER HEARING - THURSDAY – MAY 28, 2015

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

Docket Nos. 17-15 and 18-15 are tentatively set for June 11, 2015 and June 25, 2015. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC 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 15220 - No. 22******Case 15221 - No. 23******Case 15222 - No. 24******Case 15265 - No. 20******Case 15267 - No. 1******Case 15280 - No. 21******Case 15281 - No. 15******Case 15285 - No. 8******Case 15292 - No. 2******Case 15295 - No. 3******Case 15296 - No. 4*****DELETED FROM DOCKET*****Case 15298 - No. 9******Case 15301 - No. 4******Case 15302 - No. 5******Case 15303 - No. 6******Case 15304 - No. 7******Case 15305 - No. 10******Case 15306 - No. 11******Case 15307 - No. 12******Case 15308 - No. 13******Case 15309 - No. 14******Case 15310 - No. 16******Case 15311 - No. 17******Case 15312 - No. 18******Case 15313 - No. 19***

1. ***Case No. 15267: Amended application of the New Mexico Oil Conservation Division ("OCD") Compliance and Enforcement Manager for a compliance order against C O Fulton***, 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. ***Case No. 15292: (Continued from the April 30, 2015 Examiner Hearing.)***
Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order (i) creating a 240-acre non-standard oil spacing and proration unit (project area) comprised of the E/2 NW/4 of Section 33, Township 26 South, Range 28 East and the E/2 W/2 of Section 28, Township 26 South, Range 28 East, NMPM, in Eddy County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Graham Nash Fed Com #7H well**, which will be horizontally drilled from a surface location in the SE/4 NW/4 (Lot 2) of Section 33, Township 26 South, Range 28 East to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 28, Township 26 South, Range 28 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located 15 miles south of Malaga, New Mexico.

3. ***Case No. 15295: (Continued from the May 14, 2015 Examiner Hearing.)***
Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New

Mexico. Applicant seeks an order (i) creating a 200-acre non-standard oil spacing and proration unit (project area) comprised of the W/2 NE/4 of Section 5, Township 25 South, Range 35E and the W/2 SE/4 of Section 32, Township 24 South, Range 35 East, NMPM, in Lea County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Skull Cap State Com #2H well**, which will be horizontally drilled from a surface location in the W/2 SE/4 (Unit J) of Section 32, Township 24 South, Range 35 East to a bottom hole location in the NW/4 SE/4 (Unit J) of Section 32. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately five miles west of Ochoa, New Mexico.

4. **Case No. 15296:** (Continued from the May 14, 2015 Examiner Hearing.)

Application of COG Operating LLC for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order (i) creating a 160-acre non-standard oil spacing and proration unit (project area) comprised of the W/2 W/2 of Section 21, Township 25 South, Range 35E, NMPM, in Lea County, and (ii) pooling all mineral interests in the Bone Spring formation underlying this acreage. The project area is to be dedicated to applicant's **Coachman Fee Com #4H well**, which will be horizontally drilled from a surface location in Unit D of Section 21, Township 25 South, Range 35 East to a bottom hole location in Unit M of Section 21, Township 25 South, Range 35 East. The completed interval for the well will remain within the 330-foot standard offset required by the Division's rules. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of COG Operating LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The proposed project area is located approximately six miles southeast of Ochoa, New Mexico.

5. **Case No. 15301:** **Application of Matador Production Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the S/2 S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring 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 **Janie Conner 13-24S-28E RB #124H well**, to be horizontally drilled. The producing area for this well will be 330 feet from the project area boundary. 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 Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The Janie Conner 13-24S-28E RB #124H well is located approximately 17 miles southeast of Carlsbad, New Mexico.

6. **Case No. 15302:** **Application of Matador Production Company for a non-standard spacing and proration unit, compulsory pooling, and non-standard location, Eddy County, New Mexico.** Applicant seeks an order from the Division: (1) creating a non-standard 320-acre, more or less, gas spacing and proration unit in the Wolfcamp formation, comprised of the S/2 of Section 13, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico; (2) pooling all mineral interests in the Wolfcamp formation underlying this proposed non-standard spacing and proration unit; and (3) approving a non-standard location. This proposed non-standard spacing and proration unit will be the project area for the **Janie Conner 13-24S-28E RB #224H well**, to be horizontally drilled. The producing area for this well will be unorthodox, located 330 feet from the project area boundary. 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 Matador Production Company as operator of the well, and a 200% charge for risk involved in drilling said well. The Janie Conner 13-24S-28E RB #224H well is located approximately 17 miles southeast of Carlsbad, New Mexico.

7. **Case No. 15303:** **Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre, more or less, spacing and proration unit comprised of Lot 1, SE/4 NE/4 and E/2 SE/4 of Section 5 and the E/2 NE/4 of Section 8, Township 20 South, Range 30 East, NMPM, Eddy 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 **Solution Federal Com 1H Well**, which will be horizontally drilled from a surface location in the NW/4 NE/4 (Lot 2) of Section 5 to a standard bottom hole location in the SE/4 NE/4 (Unit H) of Section 8. 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 approximately 20 miles northeast of Carlsbad, NM.

8. **Case No. 15304:** **Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order (1) creating a non-standard, 240-acre, more or less, spacing and proration unit comprised of Lot 3, SE/4 NW/4 and E/2 SW/4 of Section 5 and the E/2 NW/4 of Section 8, Township 20 South, Range 30 East, N.M.P.M., Eddy County, New Mexico 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 **Solution Federal Com 3H Well**, which will be horizontally drilled from a surface location in the