

Examiner Hearing – December 17, 2015

Docket No. 37-15

Page 3 of 5

8. **Case No. 15418: 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 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 31, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the N/2 S/2 of Section 31 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Pavo Macho 31 B2L1 Fed. Well No. 1H, a horizontal well with a surface location in the NW/4 SW/4, and a terminus in the NE/4 SE/4, of Section 31. 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 11-1/2 miles southwest of Loco Hills, New Mexico.

9. **Case No. 15419: 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 a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the N/2 N/2 of Section 31 and the N/2 N/2 of Section 32, Township 18 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the N/2 N/2 of Section 31 and the N/2 N/2 of Section 32 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Pavo Macho 31/32 B2DA Fed. Com. Well No. 1H, a horizontal well with a surface location in the NW/4 NW/4 of Section 31, and a terminus in the NE/4 NE/4 of Section 32. 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 11 miles southwest of Loco Hills, New Mexico.

10. **Case No. 15420: 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 a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 31 and the S/2 N/2 of Section 32, Township 18 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 31 and the S/2 N/2 of Section 32 for all pools developed on 40 acre spacing within that vertical extent. The unit will be dedicated to the Pavo Macho 31/32 B2EH Fed. Com. Well No. 1H, a horizontal well with a surface location in the SW/4 NW/4 of Section 31, and a terminus in the SE/4 NE/4 of Section 32. 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 11 miles southwest of Loco Hills, New Mexico.

11. **Case No. 15395: (Continued from the October 15, 2015 Examiner Hearing.)**
Application of Matador Production Company for approval of a non-standard oil spacing and proration unit, compulsory pooling, and an unorthodox oil well location, Lea County, New Mexico. Applicant seeks an order approving a 240-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 SE/4 of Section 22 and E/2 E/2 of Section 27, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools developed on 40 or 80 acre spacing within that vertical extent. The unit is to be dedicated to the Mallon 27 Fed. Com. Well No. 1H, a horizontal well with a surface location 330 feet from the south line and 660 feet from the east line of Section 27, and a terminus 2310 feet from the south line and 660 feet from the east line of Section 22. The location is unorthodox under regulations for the Lea-Bone Spring Pool. 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 11-1/2 miles west-southwest of Oil Center, New Mexico.

12. **Case No. 15408 (re-advertised): Application of Apex Disposal Services, LLC for approval of a water disposal well, Eddy County, New Mexico.** Applicant seeks an order approving produced water disposal into the Devonian formation at a depth of 14,955-15,460 feet subsurface in the Mobley Ranch SWD Well No. 1, to be located 225 feet from the north line and 2460 feet from the west line of Section 19, Township 23 South, Range 30 East, NMPM. The well is located approximately 7 miles northeast of Harroun, New Mexico.

13. **Case No. 15414: (Continued from the December 3, 2015 Examiner Hearing.)**
Application of RKI Exploration and Production 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, 224.75-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 28 and the NW/4 NW/4 and Lot 4 of Section 33, Township 26 South, Range 30 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Wolfcamp formation underlying this acreage. Said non-standard unit is to be dedicated to the applicant's proposed RDX Federal Com 28 9H Well, which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) in Section 28 to a standard bottom hole location in in the SW/4 NW/4 (Unit E) of Section 33 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