

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 4, 2016

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

Docket Nos. 06-16 and 07-16 are tentatively set for February 18, 2016 and March 3, 2016. 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.

<p><i>Locator Key for Cases</i> <i>Case 15345 - No. 6</i> <i>Case 15432 - No. 1</i> <i>Case 15437 - No. 2</i> <i>Case 15438 - No. 3</i> <i>Case 15439 - No. 4</i> <i>Case 15440 - No. 5</i> <i>Case 15441 - No. 7</i></p>
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1. Case No. 15432: (Continued from the January 21, 2016 Examiner Hearing.)

Application Of The New Mexico Oil Conservation Division Compliance And Enforcement Bureau for a Compliance Order against DC Energy, LLC, for Wells Operated in Lea County, New Mexico. The New Mexico Oil Conservation Division Compliance and Enforcement Bureau in the above styled case seeks a compliance order (1) determining operator DC Energy, LLC ("Operator") is out of compliance with OCD rules 19.15.26, 19.15.16, 19.15.29, 19.15.25, and 19.15.5.9 NMAC; (2) requiring Operator to return to compliance with OCD rules; and (3) in the event of non-compliance, finding the Operator in violation of a Division order, declaring the wells abandoned and authorizing the OCD to plug the violating wells in accordance with a Division-approved plugging program and restore and remediate the location, recover costs from the Operator's financial assurance as permitted by 19.15.8.13 NMAC, and seek indemnification as permitted by § 70-2-14(E), NMSA 1978.

2. Case No. 15437: *Application of Caza Petroleum, Inc. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.* Caza Petroleum, Inc. seeks an order approving a non-standard 160-acre spacing and proration unit in the Bone Spring formation comprised of the W/2 W/2 of Section 19, Township 20 South, Range 35 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The non-standard unit is to be dedicated to applicant's **Igloo 19 State Well No. 7H**, to be horizontally drilled from a surface location in the SW/4 SW/4, to a standard bottom hole location in the NW/4 NW/4, of Section 19. 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 Caza Operating, LLC as operator of the well, and a 200% charge for risk involved in drilling the well. The unit is located approximately 15 miles west-northwest of Oil Center, New Mexico.

3. Case No. 15438: *Application of Devon Energy Production Company, L.P. for special pool rules for the Brinninstool-Bone Spring Pool, Lea County, New Mexico.* Applicant seeks an order instituting special rules and regulations for horizontal wells in the Brinninstool-Bone Spring Pool, including standard 320 acre oil spacing and proration units and a special depth bracket allowable of 6400 barrels of oil per day for a standard horizontal well unit. The Brinninstool-Bone Spring Pool currently includes parts of Sections 2, 10, and 11, Township 23 South, Range 33 East, NMPM. The Brinninstool-Bone Spring Pool is centered approximately 21 miles southwest of Oil Center, New Mexico.

4. Case No. 15439: *Application of Devon Energy Production Company, L.P. for special pool rules for the Triple X-Bone Spring Pool, Lea County, New Mexico.* Applicant seeks an order instituting special rules and regulations for horizontal wells in the Triple X-Bone Spring Pool, including standard 320 acre oil spacing and proration units and a special depth bracket allowable of 6400 barrels of oil per day for a standard horizontal well unit. The Triple X-Bone