

4. **Case No. 15438:** (Continued from the February 4, 2016 Examiner Hearing.)

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.

5. **Case No. 15439:** (Continued from the February 4, 2016 Examiner Hearing.)

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 Spring Pool currently includes parts of Sections 29, 32, and 33, Township 23 South, Range 33 East, NMPM and part of Section 4, Township 24 South, Range 33 East, NMPM. The Triple X-Bone Spring Pool is centered approximately 27 miles southwest of Oil Center, New Mexico.

6. **Case No. 15440:** (Continued from the February 4, 2016 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for special pool rules for the Cruz-Bone Spring Pool, Lea County, New Mexico. Applicant seeks an order instituting special rules and regulations for horizontal wells in the Cruz-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 Cruz-Bone Spring Pool currently includes part of Section 16, Township 23 South, Range 33 East, NMPM. The Cruz-Bone Spring Pool is centered approximately 25 miles southwest of Oil Center, New Mexico.

7. **Case No. 15442:** (Continued from the February 18, 2016 Examiner Hearing.)

Application of BC Operating, Inc. for Authorization to Inject, Eddy County, New Mexico. Applicant seeks an order authorizing the injection of water for disposal into the Bell Canyon through Upper Cherry Canyon members of the Delaware Mountain Group in the following well:

Grande State #1 SWD (API # 30-015-31910)

660' FNL & 1980' FWL (Unit C)

Section 32

T-23-S, R-29-E, NMPM

Eddy County, New Mexico

Applicant proposes to reconfigure the well at the above location and utilize it for injection of produced water at depths of 2,780' to 4,900' subsurface. The well is located approximately 5.5 miles Southeast of Loving, New Mexico.

8. **Case No. 15437:** (Continued from the February 4, 2016 Examiner Hearing.)

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.

9. **Case No. 15434:** (Continued from the February 18, 2016 Examiner Hearing.)

Application of XTO Energy Inc. for a non-standard spacing and proration unit, and compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (1) creating a non-standard 320-acre spacing and proration unit comprised of the W/2 W/2 of Section 8 and the W/2 W/2 of Section 17, Township 23 South, Range 32 East, N.M.P.M., Lea 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 **SDE 17 Federal #1H well**, which will be horizontally drilled from a surface location in the SW/4 SW/4 of Section 17 (Unit M) to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 8. The completed interval for

Examiner Hearing – March 3, 2016
Docket No. 08-16
Page 3 of 3

this well will remain within the 330-foot standard setback required by the Division's statewide 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 XTO Energy Inc. as operator of the well, and a 200% charge for risk involved in drilling and completing said well. The subject area is located approximately 15 miles south-southeast of Halfway, New Mexico.

10. Case No. 15411: (Continued from the February 18, 2016 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea 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 W/2 W/2 of Section 8, Township 23 South, Range 32 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit, for any pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the **Stray Cat 8 Fed. Com. Well No. 1H**, a horizontal well to be drilled at a surface location in the SW/4 SW/4, with a terminus in the NW/4 NW/4, of Section 8. 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 15 miles south-southeast of Halfway, New Mexico.

11. Case No. 15441: (Continued from the February 18, 2016 Examiner Hearing.)

Application of Nearburg Exploration Company LLC, SRO2 LLC and SRO3 LLC for an Accounting and Limitation on Recovery of Well Costs, and for Cancellation of Application for Permit to Drill, Eddy County, New Mexico. Applicants seek an order determining that COG Operating LLC ("COG") did not have the right to drill two two-mile long lateral wells that COG drilled and completed in the Bone Spring formation by willfully trespassing from surface locations in Section 17 onto unconsolidated and unpooled lease acreage owned by Nearburg Exploration Company in the W/2 of Section 20, Township 26 South, Range 28 East, N.M.P.M., in Eddy County, New Mexico. The wells in trespass are the **SRO State Com 043H** (API 30-015-41141) located in the W/2 W/2 of Sections 17 and 20 ("043H") and the **SRO State Com 044H** (API 30-015-41142) located in the E/2 W/2 of Sections 17 and 20 ("044H"). Both wells were drilled to and completed in the 2nd Bone Spring Sand, Hay Hollow Bone Spring Pool (30215). Applicants further seek an order requiring COG to account and pay to Applicants the amounts of production proceeds they are entitled in the absence of pooling, without recovery of well costs or expenses. Applicants also seek cancellation of the application for permit to drill the **COG SRO State Com 069H Well** (API 30-015-43093) projected to be drilled to the 3rd Bone Spring formation in the E/2 W/2 of Sections 17 and 20, T-26-S, R-28-E. Applicants may also seek the removal of COG and designation of Nearburg Producing Company as the operator of the **SRO State 016H well** (API 30-015-38071) located in the W/2 W/2 of Section 20, T-26-S, R-28-E. The wells and lands are located approximately twelve miles southwest of Malaga, New Mexico.