

Examiner Hearing – August 4, 2016
Docket No. 32-16
Page 2 of 6

2. **Case No. 15520: 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 13, Township 23 South, Range 34 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 **Banter State #4H well**, which has a surface location in Unit D and a bottom hole location in Unit M of Section 13, Township 23 South, Range 34 East. The completed interval is 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 four miles northwest of Jal, New Mexico.
3. **Case No. 15521: Application of Chi Operating, Inc. for compulsory pooling, Eddy County, New Mexico.** Chi Operating, Inc. seeks an order pooling all mineral interests from the surface to 5000 feet subsurface underlying the SW/4 SE/4 of Section 13, Township 18 South, Range 30 East, NMPM, to form a standard 40 acre oil spacing and proration unit for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is dedicated to the **Shugart West 13 Fed. Well No. 1**, located at an orthodox location in the SW/4 SE/4 of Section 13. Also to be considered will be the cost of drilling and completing, or recompleting, the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the well, and setting a 200% charge for the risk involved in drilling and completing, or recompleting, the well. The unit is located approximately 6 miles south-southeast of Loco Hills, New Mexico.
4. **Case No. 15522: Application of Nemo Fund I, LLC for approval of a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the Unit Agreement for the Larry San Andres Unit Area, comprising 5594.98 acres of state and fee lands comprising all or portions of Sections 4, 6-9, 17-19, and 30, Township 10 South, Range 37 East, NMPM. The proposed unit area is centered approximately 10 miles east-southeast of Crossroads, New Mexico.
5. **Case No. 15523: Application of Nemo Fund I, LLC for approval of a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the Unit Agreement for the Moe San Andres Unit Area, comprising 6240.00 acres of state and fee lands comprising all or portions of Sections 12-14, 23-27, and 34-36, Township 10 South, Range 36 East, NMPM. The proposed unit area is centered approximately 10 miles southeast of Crossroads, New Mexico.
6. **Case No. 15524: Application of Nemo Fund I, LLC for approval of a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the Unit Agreement for the Curly San Andres Unit Area, comprising 2241.16 acres of state and fee lands comprising all or portions of Sections 1-3 and 10, Township 10 South, Range 37 East, NMPM. The proposed unit area is centered approximately 12-1/2 miles east-southeast of Crossroads, New Mexico.
7. **Case No. 15022 (re-opened): Application of Matador Production Company to Re-Open Case No. 15022 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Order R-13743, Eddy County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-13743 to include the pooling of additional mineral interests in the Wolfcamp formation, underlying the N/2 of Section 15, Township 24 South, Range 28 East, NMPM, in Eddy County, New Mexico. Said unit is dedicated to the **Ann Com. Well No. 1** and is located 1/4 mile south of Malaga, New Mexico.
8. **Case No. 15433 (re-opened): Application of Matador Production Company to Re-Open Case No. 15433 To Amend The Well Surface Location And Well Orientation Under the Terms Of Compulsory Pooling Order R-14140, Lea County, New Mexico.** Applicant in the above-styled cause seeks to amend Division Order R-14140 to reflect the updated surface location and well orientation for the initial well. The **Eland State 32 18 33 RN Well No. 123H Well** will now be drilled as a South-North horizontal well from a surface location 465 feet from the South line and 1,196 feet from the East line (Unit P) to a standard bottomhole location 240 feet from the North line and 1,870 feet from the East line (Unit B) of Section 32, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico. The completed interval will remain within the Division's 330 foot statewide setback requirements. All other terms of Order R-14140, including the designated spacing unit, will remain in effect. Said area is located approximately 16.2 miles southeast of Maljamar, New Mexico.
9. **Case No. 15525: Application of Matador Production Company 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, 160-acre, more or less, spacing and proration unit comprised of the E/2 E/2 of Section 32, Township 18 South, Range 33 East, Lea County, New Mexico and (2) pooling all uncommitted mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed **Eland State 32-18S-33E RN No. 124H Well**, which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 32. 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 Matador Production Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 24.7 miles west of Monument, NM.